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ABSTRACT

A hearing was held on the subject of two bills introduced by Senator Edward M. Kennedy aimed at increasing Pell Grants and at helping minority students earn doctoral degrees and enter the teaching profession at the college level. Specifically the first bill would increase the maximum Pell Grant from $3,100 to $4,500 and expand the number of eligible recipients. The following witnesses appeared and offered their comments and suggested modifications to the bills: Robert H. Atwell, President, American Council on Education; Claire M. Roemer, District Coordinator for Financial Aid, Tarrant County Junior College, Fort Worth, Texas; Theodore Cheng, the United States Student Association; Virgil E. Ecton, Acting President, United Negro College Fund; Judith S. Liebman, University of Illinois; Rafael Magallan, Executive Director, Hispanic Association of Colleges and Universities; Donald M. Stewart, President, The College Board, New York; Charles H. Gibbons, Jr., Executive Director, Boston Plan for Excellence in Public Schools. Also appearing were Senators Claiborne Pell, Paul D. Wellstone, and Dave Durenberger. Additional material is included: a prepared statement of the Coalition for Adult and Part-time Students and correspondence to Senator Kennedy from Chang-Lin Tien, Chancellor, University of California, and from Benno C. Schmidt, Jr., Yale University. (JB)

ED340275

HE

S. HRG. 102-246

ACCESS TO HIGHER EDUCATION: INCREASING PELL GRANTS AND WIDENING OPPORTUNITIES

HEARING

BEFORE THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

ON

S. 1134

TO PROVIDE DISADVANTAGED STUDENTS WITH EARLY INTERVENTION PROGRAMS AND SCHOLARSHIPS TO ENCOURAGE SUCH STUDENTS TO FINISH HIGH SCHOOL AND TO OBTAIN A COLLEGE EDUCATION, AND TO UPGRADE THE COURSE OF STUDY UNDERTAKEN BY OUR NATION'S SECONDARY SCHOOL STUDENTS, AND RELATED BILLS

JULY 16, 1991

Printed for the use of the Committee on Labor and Human Resources

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ACCESS TO HIGHER EDUCATION: INCREASING PELL GRANTS AND WIDENING OPPORTUNITIES

TUESDAY, JULY 16, 1991

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:07 a.m., in room SD-430, Dirksen Senate Office Building, Senator Edward M. Kennedy (chairman of the committee) presiding.

Present: Senators Kennedy, Pell, Simon, Wellstone, and Durenberger.

OPENING STATEMENT OF SENATOR KENNEDY

The CHAIRMAN. The committee will come to order.

Education reform is an urgent priority for our Nation. Today's hearing is about access to higher education.

The reauthorization of the Higher Education Act is an opportunity to revise and improve the current system to give more students the opportunity to achieve their full potential.

Today I am introducing two bills to help us reach these goals. The first will increase the maximum Pell Grant from $3,100 to $4,500 and expand the number of eligible recipients. It will also insure that Pell Grant recipients do not have their student aid reduced at the last minute.

During the past decade, the cost of a college education has risen dramatically. Most families do not have the financial resources to pay $20,000 a year or more to send a child to college. In the past, the Pell Grants have helped many lower and middle-income students meet their college expenses. Now these students are increasingly being forced to rely on loans. The result is to put college education out of reach for many of the most promising students.

This legislation will renew our commitment to educational opportunity. By increasing the Pell Grant, we are making a more realistic contribution to the cost of a college education. By expanding the number of eligible recipients, we are helping many hardworking middle-class families meet the expense of college.

The second bill will help qualified candidates from traditionally underrepresented groups earn doctoral degrees and enter the teaching profession at the college level. Graduate education programs, whether in the sciences or the humanities, are among the country's greatest strengths. These scholars are the guardians of our heritage and the pioneers of the Nation's future strength through their scholarship and research. They are also, at a time

when we are increasingly concerned about the quality of primary and secondary education, the teachers of our children's teachers.

Yet college and university faculties, and the graduate programs from which they draw, fall short of representing this Nation's diversity. Only 3 percent of all full-time faculty members at American institutions of higher learning are African American, and only 2 percent are Hispanic. Less than one percent are American Indians. These statistics are not likely to improve in the near future. The number of African Americans receiving doctorate degrees increased by only seven-tenths of one percent, or six individuals, between 1988 and 1989, and the number of Hispanics actually decreased by 4 percent.

The reauthorization of the Higher Education Act offers an opportunity to improve this situation. The legislation I am introducing will provide financial assistance to doctoral candidates from traditionally underrepresented groups in return for a commitment to teach at a college or university once they have completed their degrees.

Some argue that such concerns about graduate study pale before the crisis in the Nation's schools, and that we should attend to their needs first. But a key part of the answer to improving elementary and secondary schools is improving access to higher education. We cannot expect students to take their full and rightful place in our educational system if there is a limit on their aspirations as learners and as scholars.

We will also hear testimony today about legislation I recently introduced to simplify the financial aid system. This proposal simplifies the complex application forms that are a nightmare for millions of students to fill out. It also puts a cap on the inclusion of home equity in the aid process in order to reduce the burden on homeowners trying to send their children to college.

We will hear this morning from witnesses who will testify about the excessive high school dropout rate of minority students. As of 1989, only 55 percent of 18 to 24 year-old Hispanics completed high school. The comparable figure for African Americans was 76 percent, and the rate for whites was 82 percent. These low rates mean lower college participation and more students who do not achieve their potential.

I recently introduced legislation to reverse this destructive trend by providing funds to school districts and community-based organizations that operate early intervention programs to help at-risk students finish high school. In addition, the legislation gives these students an incentive to excel in high school by offering scholarships for college if they complete a rigorous core curriculum in high school.

Various studies, indicate that those students who do not continue their education in higher education institutions for the most part are students who did not have programs in math and sciences, algebra, geometry, and so on. We have tried in this legislation to bring some focus on some of those areas. We don't pretend to have the magic list, and we obviously welcome comments, but we have tried to pick up on some of the rather compelling information that has been brought to us.

The combination of early intervention programs and scholarships will increase the likelihood that students will finish high school and go on to college. In the long run we will all benefit from the contributions of these students to our schools, colleges, industry and government.

I look forward to the testing of our initiatives and to working with our colleagues to achieve the goals we share for the Nation's students and the Nation's future.

Most of these various proposals which we have introduced and which we are introducing are really the result of very strong work that has been done by many including our distinguished colleague and friend, the chairman of the education subcommittee, Senator Pell.

Senator Pell, welcome.

Opening Statement of Senator Pell

Senator PELL. Thank you very much, Mr. Chairman.

I am very glad indeed to congratulate you on holding this hearing and on the interest that the full committee has in this legislation.

These bills will be sent to the subcommittee and will be considered as we put our bill together this very season.

Your initiatives on the grant formula and on simplification touch two areas of greatest importance to reauthorization. We must have a formula that reaches out and not only enlarges the amount of the grant, but also reaches out to more students. We must also simplify the application process by removing the labyrinth of questions and procedures. I know when I tried to fill it out, I found it exceedingly complicated and did not succeed. So I think we must simplify it.

Clearly, we must also increase access to postsecondary education, and your legislation in this area offers an excellent approach that should be given careful attention in the reauthorization bill.

Unfortunately, I will not be able to be with you for the entire hearing because Secretary Cheney and General Powell will testify this morning before the Foreign Relations Committee, and as chairman, I must be there.

Thank you, Mr. Chairman.

[The prepared statement of Senator Pell follows:]

Prepared Statement of Senator Pell

Mr. Chairman, I want to commend you not only for holding this hearing but also for the very evident and keen interest you have demonstrated in the reauthorization of the Higher Education Act. As you know, we are in the midst of fashioning the reauthorization bill in the Education Subcommittee, and your proposals come, therefore, at a particularly important time in the process.

Your legislative initiatives on the Pell Grant formula and on simplification touch two areas of critical importance to reauthorization. We must have a formula that reaches out to more students with more grant assistance and enhances both access and choice in higher education. We must simplify the application process by removing the labyrinth of questions and procedures that today add

unnecessary complications and difficulties for those who seek federal student aid.

Clearly we must also increase access to postsecondary education, and your legislation in this area offers an interesting approach that we will give careful attention as we develop our reauthorization bill. We will also give very serious consideration to the proposals you are putting forth to improve the opportunity for graduate education for minorities.

Unfortunately, I will be unable to be with you for the entire hearing. Secretary Cheney and General Colin Powell will testify this morning before the Foreign Relations Committee, and as Chairman, I must be there. It is difficult when you are forced to choose among two subjects of great concern and interest, but that is the choice we are all too often forced to make. I regret that, but am hopeful that you and the witnesses will understand.

The CHAIRMAN. Senator Wellstone.

OPENING STATEMENT OF SENATOR WELLSTONE

Senator WELLSTONE. Thank you, Mr. Chairman.

First of all, let me thank you for your initiatives, and I wanted to say to Senator Pell that I especially also appreciate the opportunity to serve on the Subcommittee on Education.

I don't have any written remarks, Mr. Chairman, but just by way of amplifying some of what we are all working on, I want to emphasize that I was able to hold several sanctioned education subcommittee hearings out in the State of Minnesota, and I quite frankly found some of the testimony very eloquent and very powerful testimony, both in the metropolitan area and in northern Minnesota, to be absolutely devastating.

The young people who came in and talked about what has happened to them as a result of our moving away from a real Pell Grant program and instead their being faced with the crunch of loans was just unbelievable. So I think this proposal to expand the Pell Grant program both in terms of income and reaching well into the middle-income—these students were not just from low-income families—is right on the mark.

The second thing I want to emphasize is that of course, simplifying the application form will be much appreciated by everybody. That came up over and over and over again. I think what we do here in Washington should be rooted in what people tell us in our communities, and that came up constantly.

Access to graduate education, I can say as a college professor, I have special feeling for.

And then finally let me just emphasize that one of the things that really stood out for me was the extent to which the nontraditional student has almost become the traditional student. The number of students who are clearly no longer 20 and living in a dorm, but are older, single parents, with children, really crying out for some support so they can pursue their higher education and go on, I think has got to be included in what we take a close look at as we look at this bill, Senators Pell and Kennedy, over the summer.

I thank you, Mr. Chairman, for your leadership. I thank both chairs, and I am looking forward to the testimony of the panelists.

The only apology I will make is that again we have several debates and other things coming up, and I won't be able to be here for the entire hearing, but I can tell you I have been a teacher my whole adult life, this is a heart and soul issue—count on me to be a big voice for this.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Before I introduce the first panel, I do want at the outset to apologize to our witnesses. The gag rule, which Senator Chafee will be floor-managing, is scheduled to be on the floor at 10 a.m. I am going to recess briefly at 10 a.m. for about 15–20 minutes, to make an opening statement, on this important issue. There are other Senators who will also be making opening statements, so I don't expect that we'll be involved in amendments prior to noontime; but I'll have a better view of the schedule at that time. I apologize to the members and the witnesses, but I have every expectation we can come back and take up where we leave off.

I'd ask our first three witnesses to come forward. We welcome Dr. Robert Atwell, president of the American Council on Education since 1984. He has served as the vice chancellor for administration, at the University of Wisconsin-Madison, and as president of Pitzer College in California. We apologize, Dr. Atwell; we had hoped to be able to get out to your meeting in San Francisco earlier this year, but it was during the week, and it was one of those rare times in the very early part of the year that we had some serious business on the floor of the Senate so we were unable to come. But we know you are coming back to Washington next January, and I'm sure there will be a lot of interest from many of us.

We also welcome Claire Roemer. Ms. Roemer is the district coordinator for financial aid at Tarrant County Junior College in Ft. Worth, TX, and president-elect of the Southwest Association of Student Financial Aid Administrators.

Theodore Cheng graduated this June from Harvard with majors in chemistry and physics. He grew up in Flushing, Queens, and attended Hunter College High School there. While at Harvard, he was vice president of the Asian American Association and a member of the varsity lightweight crew team. We are glad to have you as well, Mr. Cheng.

Mr. Atwell, we'll start with you.

STATEMENTS OF ROBERT H. ATWELL, PRESIDENT, AMERICAN COUNCIL ON EDUCATION, WASHINGTON, DC; CLAIRE M. ROEMER, DISTRICT COORDINATOR FOR FINANCIAL AID, TARRANT COUNTY JUNIOR COLLEGE, FORT WORTH, TX; AND THEODORE CHENG, 1991 GRADUATE OF HARVARD COLLEGE, ON BEHALF OF U.S. STUDENT ASSOCIATION, BOSTON, MA

Mr. ATWELL. Mr. Chairman, I would ask that my prepared statement be introduced in the record of these proceedings, and with your permission I'd like to offer just a several-minute summary.

The CHAIRMAN. Fine. All the statements will be printed in their entirety in the record.

Mr. ATWELL. Thank you, Mr. Chairman.

I offer testimony today on behalf of 13 higher education associations listed in the cover to my testimony. That testimony is addressed really exclusively to proposed changes in the Pell Grant program.

Essentially, we are in support of the bill which you, Mr. Chairman, have introduced because it would significantly increase awards for the neediest students, and it would make more middle-income students eligible for the program.

Moreover, it would begin the process of restoring Pell Grants as the foundation of Federal student aid policy, thereby reducing the grant-loan imbalance to which Senator Wellstone referred.

Taking the last of these points first, we have seen a reversal in the last decade in the relationship between loans and grants. In 1976, the Pell Grant program covered 48 percent of the price charged by 4-year public institutions; 57 percent of the cost of a 2-year public institution, and 29 percent of the price of a 4-year public institution. And in 1991, Pell Grants cover only 30 percent of a 4-year public institution, 39 percent for a 2-year institution, and only 15 percent of the price of a private college or university.

If the maximum award had kept pace with the Consumer Price Index since 1976, the award would be $3,300 today, and in reality, of course, it is only $2,400.

Stafford loans and seriously stretched institutional resources have had to fill the gap, and the consequence, as we know, is a dramatic reversal of the grant-loan balance, since Stafford loans are an entitlement and Pell Grants are not.

By indexing the maximum award to the Consumer Price Index and by requiring forward borrowing if the appropriation is otherwise insufficient to pay the maximum award, your bill, Mr. Chairman, comes as close as may be possible under the Budget Enforcement Act to establishing entitlement status for Pell Grants.

The second virtue of the chairman's bill is that it would significantly increase awards for the neediest students. As the first table attached to my written testimony demonstrates, the present 60 percent of cost limitation falls most heavily on the neediest students in the least costly institutions, principally community colleges. The effect is that these students get a smaller proportion of their need met than students with higher incomes at the same institution.

The chairman's bill removes the 60 percent of cost limitation and thus is more equitable to the neediest students in the lower priced institutions.

At the same time, the chairman's bill introduces a measure of tuition sensitivity missing in the present formula. Under the chairman's formula, the award would be composed of two elements—$2,750 for living expenses, which is about half the average for room, board and books, plus up to 25 percent of tuition not to exceed $1,750 for the tuition component so that no additional award would accrue to tuition over $7,000, and $7,000 is considerably less than the average tuition in the private sector.

There is a strong consensus in the 13 associations which I represent today that by increasing the Pell Grant maximum to $4,500 under the chairman's formula, we would reduce the grant-loan imbalance, achieve more tuition sensitivity, and by removing 60 per-

cent of cost limitation, better meet the needs of the neediest students.

Our formula would cost $8.7 billion per year, with a $4,500 Pell Grant maximum, thereby going some distance toward redressing that grant-loan imbalance and restoring the purchasing power of Pell Grants.

By contrast, the present formula would cost $11 billion to provide a $4,500 Pell Grant maximum.

Mr. Chairman, I would be pleased to try to respond to your questions.

The CHAIRMAN. Thank you very much.

[The prepared statement of Mr. Atwell follows:]

PREPARED STATEMENT OF ROBERT H. ATWELL

Mr. Chairman and Members of the Committee:

I am here on behalf of some dozen associations representing all sectors of higher education, including public and independent, 2-year and 4-year colleges, and universities. We strongly support the major changes in the Pell Grant program contained in the bill introduced this morning by Chairman Kennedy.

Enactment of these changes would restore Pell Grants as the foundation of federal student aid policy. Over the past decade the program has not kept pace with the needs of students, and has been overshadowed by the Guaranteed Student Loan program, which was never intended to provide low-income educational assistance, but to help middle-income students who did not meet the eligibility requirements for grant assistance. As a result, low-income students today face increasing debt burdens to obtain a higher education.

Since 1976, when the Pell program was expanded to cover all four classes of undergraduates, the maximum award has not increased sufficiently to keep pace with either the Consumer Price Index or college costs. In 7 out of the last 12 years, the maximum either decreased or remained level. As a result, awards for both the poor and the middle-income have declined in value.

In 1978, Congress passed the Middle Income Student Assistance Act which extended eligibility to students from families earning $25,000 by moderating the Expected Family Contribution (EFC). In 1982, however, the EFC was increased to help curtail the federal deficit, and several hundred thousand middle-income students were eliminated from Pell eligibility. Many families cannot possibly meet the contribution the federal government expects of them.

If the maximum award had kept pace with the CPI since 1976, it would be $3300 in FY 91: in actuality, it is only $2400. In 1976, the maximum award covered 48% of the average cost of a 4-year public college, 29 percent of the cost of a 4-year independent institution, and 57 percent of the cost of a 2-year public institution. In FY 91, it covers only 30 percent of the average cost of a 4-year public institution, 15 percent of the cost of an independent institution, and 39 percent of the cost of a 2-year institution. If the maximum award had been increased to $3300 and the EFC had not been increased, families earning over $50,000 would be receiving Pell assistance today; in contrast, the effective cutoff for a minimum $200 award is $33,000.

The Proposed Changes:

Thus, the changes contained in the Chairman's bill address the two overriding priorities for reauthorization of the Pell Grant program: to target more adequate grant assistance to the neediest students and reduce their reliance on borrowing, and to extend eligibility to more dependents of working poor and moderate-income families. They would also improve the reliability and equity of the program for all eligible students.

Clearly, the ultimate way to assure the reliability of the Pell Grant as the foundation of all student assistance would be to make the program an entitlement. However, it is not apparent to us how this can be done under the "Paygo" provisions of the Budget Enforcement Act, which require that any increase in entitlements over the inflation baseline must be offset by a decrease in spending cuts or an increase in taxes. In the meantime, the Chairman's bill comes as close as may be possible to establishing entitlement status for Pell Grants:

• *It would increase the Pell Grant maximum to $4,500, and adjust the award annually thereafter based on the Consumer Price Index.* An increase of this mag-

nitude is necessary not only to repair the erosion of the award which has occurred over the past decade and to maintain its value in future years, but also to reduce or eliminate borrowing for many students, particularly those who are at special risk of dropping out of postsecondary education.

• *The Education Department would be required to borrow from the following year whenever Pell Grant appropriations are insufficient.* The Department now has authority to issue a reduced payment schedule if it estimates that appropriations may be insufficient to provide the maximum intended by Congress. Revocation of this authority would permit students to make their educational plans in full confidence that they will receive the amount of Pell Grant assistance for which they are eligible.

The Chairman's bill makes a third, equally important change to improve the equity of the program:

• *The current, complex formula for determining individual awards would be replaced with a simpler, more equitable formula under which the award would equal:*

$2750 (living expenses) + 25% of tuition (NTE$1750)—EFC.

Future increases would be split equally dollar for dollar between the living cost and tuition components of the formula.

This would eliminate several inequities in the current formula, which requires three computations, with the award equalling the lesser of: Maximum—EFC; Cost—EFC; or 60% of cost. The 60 percent-of-cost limitation reduces awards for very needy students at low-tuition institutions, so that classmates with higher family incomes receive a larger percentage of their need. The formula also lacks any significant tuition sensitivity, so that students with the same Expected Family Contributions generally receive the same awards regardless of their educational costs. Consequently, the program provides a significantly larger share of educational costs for students attending 2-year and short-term vocational programs than for those enrolled in baccalaureate programs, who are receiving a declining proportion of Pell Grant assistance.

Principles of the Proposed Formula

The current formula fails five tests of equity for the distribution of Pell Grant funds:

1. The award should decrease as the Expected Family Contribution increases for students attending institutions with similar charges.
2. The neediest students at the lowest-priced institutions should have the highest percentage of need met.
3. The award should recognize the added expenses of students at higher-tuition institutions.
4. The award should be substantial enough to make the Pell Grant program an effective alternative to loans for low- and moderate-income students.
5. The formula should increase awards for students at all institutions, and provide more adequate resources to students attending baccalaureate as well as short-term programs.

The formula in the Chairman's bill meets these tests. It would:

• *Significantly increase awards to all low-income Pell recipients, and expand eligibility for at least a minimum award to families with incomes up to $44,000* (somewhat below the 1979 eligibility level adjusted for inflation). This would increase the participation of working-class families and students in baccalaureate programs. As the program serves students better, the public's support of the program will increase.

• *Provide a more realistic living allowance* (about half the average cost of room, board, and books).

• *Increase the tuition-sensitivity of the award* in recognition of the needs of students in degree programs who pay higher direct educational expenses. The formula would take into account one quarter of the tuition paid up to $7,000. This will not provide an incentive for institutions to raise their tuitions, because $7,000 is less than the average tuition at independent colleges and only 25 percent of tuition dollars are covered.

• *Simplify the formula for determining awards,* and apply the same, single test to all students.

Simplification, however, is not the most important attribute of the proposed formula. *Reauthorization of the Pell Grant program without changing the formula would compound current inequities which prevent all eligible students from receiving awards proportional to their needs.*

To illustrate this point, Table A included in our testimony compares the distribution of awards under the current and proposed formulas.

Effects of the Proposed Changes:

The table shows that a student from a family earning $13,000 or less attending an institution with a tuition of $500 receives an award of only $1,740 now, because the award is reduced by the 60 percent of cost rule. The Chairman's bill would substantially increase that student's award, to $2,875. Of this amount $2,750 would help defray living expenses, and $125 would cover 25 percent of tuition.

If that student from the $13,000 family attended an institution with a tuition of $5,200, the Chairman's bill would provide an even larger award of $4,050: $2,750 for living expenses, plus $1,300 (25 percent of $5,200) for tuition. Tuition sensitivity under the formula would only extend up to $7,000: that is, the tuition component of the award could not be greater than $1,750 or 25 percent of $7,000.

Under current law, a student from a family making $24,000 would receive an award of $1,400 no matter what the tuition of the institution attended. The Chairman's bill would give the student an award of:

$1,875 at an institution with a tuition of $500;
$2,150 at an institution with a tuition of $1,600; and
$3,500 at an institution with a tuition of $7,700.

Thus, the formula contained in the Chairman's bill would award aid with much greater equity, targetting more substantial grant assistance to the neediest students while extending eligibility for a minimum grant to families with incomes up to $44,000. Additionally, it would do so at significantly lower cost than the existing formula. A $4500 maximum under the current formula would cost over $11 billion, and at the same time compound the existing inequities in the distribution of awards. We estimate that a $4500 maximum under the Chairman's proposed formula would cost approximately $8.7 billion, assuming the current Pell family contribution schedule.

We urge the Committee to adopt the Pell Grant changes contained in the Chairman's bill. I must, however, express concern that the bill as drafted would eliminate eligibility for less-than-half-time students. This would remove some 50,000 prospective eligibles who represent a growing segment of enrollments in public higher education. These students were made eligible in the 1986 reauthorization; removal of their eligibility—especially in current economic times that are forcing many to drop full-time enrollment status—could push them out of higher education altogether.

ON BEHALF OF:

American Association of Community and Junior Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Catholic Colleges and Universities
Association of Community College Trustees
Association of Urban Universities
Council of Independent Colleges
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Assn. of Schools and Colleges of the United Methodist Church
National Association of State Universities and Land-Grant Colleges

COMPARISON OF CURRENT LAW AND PELL GRANT PROPOSAL $4,500

PELL PROPOSAL: Formula (25% of Tuition NTE $1,750 + $2,750)—EFC

Awards under Proposal

TUITION	EXPECTED FAMILY CONTRIBUTION (APPROXIMATE FAMILY INCOME)*									
	$0—($13,000)	$500—($19,000	$1,000—($24,000)	$1,500—($28,000)	$2,000—($32,000)	$2,500)—($35,000)	3,000—($37,000)	$3,500—($40,000)	$4,000—($43,000)	$4,300—($44,000)
$0	$2,750	$2,250	$1,750	$1,250	$750	$250	$0	$0	$0	$0
200	2,800	2,300	1,800	1,300	800	300	0	0	0	0
500	2,875	2,375	1,875	1,375	875	375	0	0	0	0
700	2,925	2,425	1,925	1,425	925	425	0	0	0	0
1,000	3,000	2,500	2,000	1,500	1,000	500	0	0	0	0
1,200	3,050	2,550	2,050	1,550	1,050	550	0	0	0	0
1,600	3,150	2,675	2,175	1,675	1,175	675	0	0	0	0
1,700	3,175	2,675	2,175	1,675	1,175	675	0	0	0	0
2,700	3,425	2,925	2,425	1,925	1,425	925	425	0	0	0
5,200	4,050	3,550	3,050	2,550	2,050	1,550	1,050	550	0	0
7,700	4,500	4,000	3,500	3,000	2,500	2,000	1,500	1,000	500	200
12,700	4,500	4,000	3,500	3,000	2,500	2,000	1,500	1,000	500	200

Current Law Awards

($2,400 Maximum)

TUITION	EXPECTED FAMILY CONTRIBUTION (APPROXIMATE FAMILY INCOME)*									
	$0—($13,000)	$500—($19,000	$1,000—($24,000)	$1,500—($28,000)	$2,000—($32,000)	$2,500)—($35,000)	$3,000—($37,000)	$3,500—($40,000)	$4,000—($43,000)	$4,300—($44,000)
0	1,440	1,440	1,400	900	400	0	0	0	0	0
200	1,560	1,560	1,400	900	400	0	0	0	0	0
500	1,740	1,740	1,400	900	400	0	0	0	0	0
700	1,860	1,860	1,400	900	400	0	0	0	0	0
1,000	2,040	1,900	1,400	900	400	0	0	0	0	0
1,200	2,160	1,900	1,400	900	400	0	0	0	0	0
1,600	2,400	1,900	1,400	900	400	0	0	0	0	0

1,700	2,400	1,900	1,400	900	400	0	0	0	0	0
2,700	2,400	1,900	1,400	900	400	0	0	0	0	0
5,200	2,400	1,900	1,400	900	400	0	0	0	0	0
7,700	2,400	1,900	1,400	900	400	0	0	0	0	0
12,700	2,400	1,900	1,400	900	400	0	0	0	0	0

Except for low-income students in low-tuition institutions, most students receive the same award regardless of educational costs.

*Income figures represent a family of four with one person attending college, having no assets, based on academic year 1992–93 EFC.

American Council on Education, Office of Legislative Analysis

The CHAIRMAN. Ms. Roemer.

Ms. ROEMER. Mr. Chairman, members of the committee, good morning.

My name is Claire Roemer, and I am the district coordinator of financial aid at Tarrant County Junior College in Ft. Worth, TX. On this occasion I am here to represent the nearly 3,300 members of the National Association of Student Financial AID Administrators, or NASFAA. I am pleased to have the opportunity to appear before you this morning to speak in support of S. 1137.

Like many others in the financial aid community, we congratulate you for the early focus on simplifying Federal student aid delivery that is shown in this bill. We particularly appreciate your introduction of this measure, which incorporates much of NASFAA's "Plan for Reform" proposal for two reasons. First, we are grateful that the product of NASFAA's extensive discussions has been afforded this opportunity for review and discussion. Second, we believe that an approach such as that included in S. 1137 is most beneficial to Federal student aid recipients.

NASFAA's preparations for reauthorization identified simplification of student aid delivery as one of four essential themes. To respond, NASFAA has created a cohesive, comprehensive approach to make the delivery system more understandable and accessible to students while maintaining a high value for all participants in the process. This approach is embodied in S. 1137 and in NASFAA's plan for reform.

I would like to mention several key features of the proposed Federal methodology as incorporated in S. 1137 and as envisioned by NASFAA.

The definition of who should pay is simplified. The parents first/students first concept replaces the existing definition of self-supporting status and supports the use of professional judgment authority by financial administrators to address unusual circumstances.

The application process for qualified public assistance recipients is radically expedited. Families receiving public assistance will complete only a small number of demographic eligibility questions on the application form. The number of data elements is reduced for a specific low-income population. Parents of students with a total income of $20,000 or less and who do not file a 1040 will complete no asset questions.

The critical role of professional judgment of the financial aid administrator to deal with special circumstances is maintained. The overall number of application data elements is reduced. Elements such as elementary/secondary tuition expenses, medical/dental expenses and those addressing dislocated workers and displaced homemakers affect a limited number of student applicants. NASFAA believes that these conditions and expenses are more appropriately recognized on an individual basis through the professional authority extended to financial aid administrators.

Home asset value is capped relative to a family's income. The capping of home asset values would protect those families particularly from the middle-income ranges whose home value has escalated dramatically and out of proportion to their income.

Desired policy objectives are met through database matches instead of encumbering the application with certification statements. NASFAA believes that database matches with Selective Service, the Immigration and Naturalization Service, and the National Student Loan Data System when operational are important in achieving more accurate information and in making the system less of a barrier to students.

The primary goals of NASFAA's work were equity and access—assuring equitable distribution of funds among student applicants and ease of entry into the process so that the process itself did not present a barrier to higher education. These goals are represented by the proposal in S.1137 and the NASFAA plan.

We recognize that modifications may be necessary, but we are encouraged that this bill will form the framework to advance an understandable need analysis methodology which will in turn simplify the delivery of student aid.

Before concluding, I would like to add a more personal comment. I have been employed in financial aid for 15 years. I have watched growth that has become so complicated and entangled that it causes immense frustration. I myself am the mother of a college sophomore and a high school senior. Parents of their friends have often shared their misconceptions, misunderstandings and frustrations. These parents are for the most part college-educated adults. I watch this same pain from my own students, spouses and parents, low-income applicants trying to figure out the maze and become a part of the educational dream.

"Plan for Reform" is a total process that begins to meet the goals of access, understandability, a system that still supports accuracy and, with additional research, will ensure that funds are targeted to the lowest-income students. It is of utmost importance to accomplish these goals by streamlining this difficult process for those most at risk, while maintaining access for equally qualified students with modest resources.

We look forward to working with you, Mr. Chairman, and this committee as work continues in this area. I thank you for the opportunity to appear before you and will be happy to respond to any questions if you have some.

The CHAIRMAN. Thank you very much.

[The prepared statement of Ms. Roemer follows:]

PREPARED STATEMENT OF CLAIRE M. ROEMER

Mr. Chairman, Members of the Committee: Good morning. My name is Claire Roemer. I am the District Coordinator of Financial Aid for Tarrant County Junior College, and on this occasion, here to represent the nearly 3,300 members of the National Association of Student Financial Aid Administrators (NASFAA). I am pleased to have the opportunity to appear before you today to speak in support of S. 1137.

Like many others in the financial aid community, we congratulate you for the early focus on simplifying federal student aid delivery that is shown in this bill. We particularly appreciate your introduction of this measure, which incorporates much of NASFAA's "Plan for Reform" proposal, for two reasons. First, we are grateful that the product of NASFAA's extensive discussions has been afforded this opportunity for review and discussion. Second, we believe that an approach such as that included in S. 1137 is most beneficial to federal student aid recipients.

As you know, in developing our Reauthorization recommendations in this area and others, NASFAA conducted a systematic review of its membership to determine the needs of students. Hearings were held in our member regions and input was solicited through publications specifically targeted toward Reauthorization. A specif-

ic Task Force was formed which spent the last 2 years identifying issues, submitting proposed solutions to the NASFAA membership, and concluding positions through the Board of Directors of the Association.

This review process identified simplification of student aid delivery as one of four essential themes. To respond, NASFAA has created a cohesive, comprehensive approach to make the delivery system more understandable and accessible to students, while maintaining a high value for all participants in the process. This approach is embodied in S. 1137 and in NASFAA's "Plan for Reform."

Background

A brief review of NASFAA's approach may be useful as a reference. The "Plan for Reform" represents more than 5 years of study and review by NASFAA's Need Analysis Standards Committee, which is comprised of representatives from all sectors in NASFAA's membership. The Committee's study included numerous interviews with various participants in the system as well as extensive feedback from the NASFAA membership. The input stressed the increasing burden on students in terms of application completion and clearly pointed to the need for change in the mechanisms for entry into student aid process. Further, there are obvious problems with accessibility when companies can exist that charge fees for completing applications.

NASFAA identified four primary goals to guide its review of the student aid delivery system: 1) funds are equitably targeted to the lowest income families, 2) the process assures access to postsecondary education, 3) the system is understandable; and 4) the data required support accuracy.

Inherent in NASFAA's goals is the premise that a revised delivery system which may allow access to the system should not have the undesirable effect of reducing aid to the neediest students, whom these programs are, first and foremost, intended to serve. NASFAA also recognized the dual need to direct funds appropriately to low-income disadvantaged individuals and to provide assistance to working families.

Further, in addressing the goals, NASFAA found that while simplification was not an adequate goal in and of itself, it was determined to be the best mechanism to achieve the goal of access. This is more than a semantic distinction; if simplicity was the goal, a system with a handful of elements would work. However, the student aid delivery system must be both accessible—appearing easier to families—and must preserve funds for the neediest students by correctly assessing the financial strength of families more able to pay for postsecondary expenses, thus limiting the demand on student aid funds that might otherwise reduce funding support to the neediest students. Further, such a system must, to the greatest extent possible, address the needs of the partners—the federal government, states, institutions, and private donors—in this process and minimize the necessity for additional data, thereby ensuring sensitivity to student needs, as well.

The "Plan for Reform" reflects NASFAA's view of that balance. We believe the resulting process is equitable and accessible—but also is more simple.

Key Features of the Simplified Approach

The NASFAA "Plan for Reform" proposal identifies a single need determination process for federal funds, while recognizing that some institutions, states, or private aid sources may need or desire additional data or analyses to assist them in awarding their own funds. The methodology included in S. 1137 and the NASFAA Plan is intended as a baseline for all federal programs, using a single application form.

Following are the key features of this proposed federal methodology, as incorporated in S. 1137 and as envisioned by NASFAA.

The determination of "who should pay" is simplified.

The "Parents First/Students First" concept replaces the existing definition of self-supporting status and supports the use of professional judgment authority by financial aid administrators to address unusual circumstances. The assessment of a family's financial well-being reflects the position that parents have the primary responsibility for postsecondary education expenses, with the subsequent responsibility resting with students themselves. The elimination of "independent/dependent" terminology places the emphasis on responsibility to pay, not on other semantics.

Students under age 24 qualify under the proposed "Parents First" definition, unless they fall into one of several categories. These categories, which would be considered under the "Students First" definition, include veterans, orphans and wards of the court, students with dependents (other than a spouse), and graduate/professional students. Fall 1990 data from the College Scholarship Service shows that 84.6 percent of their independent filers established their independence based on the automatic criteria included in S. 137.

The application process for qualified public assistance recipients is radically expedited.

Families receiving public assistance will complete only a small number of demographic eligibility questions on the application form. Those who meet these basic eligibility criteria will be fully eligible for federal assistance. Public assistance presently includes income maintenance assistance, such as AFDC or ADC. Expansion of this category is desirable if other similar programs can be identified that target maintenance assistance to the lowest income families. NASFAA is interested in examining the proposal to use the earned income limitation in a similar manner as an identifier for the neediest students as advanced in S. 1137.

The number of data elements is reduced for a specific low income population.

Parents of students with a total income of $20,000 or less *and* who do not file a 1040, will complete no asset questions. It was NASFAA's original intent to extrapolate assets from family income, and thereby eliminate the need to ask any asset questions of student applicants. Input from NASFAA members and additional data evaluation suggested that such extrapolation would not yield equitable results. The use of the proposed "asset by-pass" effectively screens applicants so that the majority of lower income families will not complete any asset questions.

NASFAA explored the possibility of a similar simplified approach for Students First applicants. Because of wide variations in the earning ability and asset strength of these families, we could not establish an income level that correlated with the $20,000 level set for students' parents. It was also felt that all students should report assets as primary beneficiaries of the education. NASFAA is continuing discussions in this area.

The overall number of application data elements is reduced.

Use of the "Parents First, Students First" definition contributes substantially to this reduction. As currently proposed, 5 yes/no questions are associated with this definition; on the 1991-92 Application for Federal Student Aid (AFSA), there are 17 yes/no questions and 5 other questions used to determine dependency status.

Other data elements have also been eliminated, such as the separate treatment for dislocated workers and displaced homemakers, the amount of medical/dental expenses, and the amount of elementary/secondary tuition paid for dependent children. Because these elements affect a limited number of student applicants, NASFAA believes that these conditions and expenses are more appropriately recognized on an individual basis through the professional authority extended to financial aid administrators.

Acknowledging these items for affected students is more efficient than encumbering the application with these items for all applicants. Further, the NASFAA draft application document provides a section for the description of special circumstances which will assist financial aid administrators in identifying these situations.

Home asset value is capped relative to a family's income.

While the elimination of home equity from need analysis tends to benefit higher income families, this treatment generally results in a consistent and more moderate reduction in family contribution across income bands. The maximum home value equals three times the family's total income; home equity is the lower of reported home value minus the home mortgage or three times the total income minus the home mortgage. The capping of home asset values would protect those families, particularly those from the middle income ranges, whose home value has escalated dramatically and out of proportion to their income.

The critical role of professional judgment of the financial aid administrator to deal with special circumstances is maintained.

Any attempt to streamline the delivery of student aid must be accompanied by authority to be sensitive to situations that do not meet the norm. Families whose circumstances have changed would be identified in part through the application. As noted earlier, the application would instruct affected families to provide information on their own special circumstances (divorce, death, unemployment, dislocated workers, displaced homemakers, etc.) directly to the financial aid office.

Desired policy objectives are met through data base matches instead of encumbering the application with certification statements.

NASFAA believes that data base matches with the Selective Service, the Immigration and Naturalization Service, and the National Student Loan Data System (when operational) are important in achieving more accurate information and in making the system less of a barrier to students. These matches are a very high pri-

ority because they carry out federal public policy purposes determined by Congress without impeding the student aid system.

Both the NASFAA Plan and S. 1137 would establish these matches as a priority for federal funding followed by free processing for applicant categories in ascending level of income. This will ensure that the system most advantages the lowest income applicants with respectively significant benefits for those of greater means.

Conclusion

The primary goals of NASFAA's work were equity and access: assuring equitable distribution of funds among student applicants, and ease of entry into the process, so that the process itself did not present a barrier to higher education. These goals are represented by the proposal suggested in S. 1137 and the NASFAA Plan. We recognize that modifications may be necessary but we are encouraged that this bill will form the framework to advance an understandable need analysis methodology which will, in turn, simplify the delivery of federal aid.

In closing, let me emphasize our belief that it is of utmost importance to accomplish these goals by streamlining the difficult process for those most at risk, while maintaining access for equally qualified students with modest resources. We pledge our support to the goal of refining the procedures outlined in S. 1137 to achieve this end. We look forward to working with you, Mr. Chairman, and this Committee as work continues in this important area.

I thank you for the opportunity to appear before you and would be happy to respond to any questions you may have.

The CHAIRMAN. Mr. Cheng.

Mr. CHENG. I'd like to thank the chairman and the committee for this opportunity to testify on student financial aid.

My name is Theo Cheng, and I graduated last month from Harvard University. I am testifying today as a beneficiary of the student aid programs and on behalf of the United States Student Association, which has developed specific legislative proposals for reauthorization that I have included in my written testimony.

First of all, Federal financial aid made it possible for my family to send me to college. When I graduated from Hunter College High School in New York City, my parents were very apprehensive about how they were going to pay for it, especially after my student aid report concluded that they were expected to contribute between $19,000 and $23,000 annually to my education. The cost of attending Harvard totalled over $18,000 my freshman year and rose to over $22,000 in my senior year. I have never qualified for a Pell Grant and received grant money from Harvard only during my freshman and senior years.

My parents tried to plan ahead for the costs of me and my brother's college education by refinancing the mortgage on our home to obtain an additional loan of $100,000 to purchase a rental house. Unfortunately, this acquisition turned out to be a financially disastrous decision. The income derived from renting out this second home has never exceeded my parents' mortgage payments. To pay for my college education, my parents refinanced the mortgage on the rental house to obtain an additional $60,000.

My education has basically put my parents into $160,000 worth of more debt and me into $13,250 worth of Stafford Loan debt. I, like most students, worked during the school year and summers to pay for my education; and to pay off my debt as quickly as possible and to help my family pay for my brother's college education, I will soon begin working at an insurance company and put off for a few years my desire to work within my community and the public sector.

I know that I am fortunate to have been able to go to a school like Harvard. However, the financial costs that my family situation illustrates means that a higher education, particularly at independent colleges, is increasingly out of the reach of needy students. Costs of public schools are skyrocketing as well. In the last decade they have increased 40 percent above inflation. Middle-income families like mine have been feeling the squeeze, yet the 1978 Middle-Income Student Assistance Act established that families with incomes of $25,000 should be eligible for a Pell Grant. Adjusting for inflation, this means that today a family with an income of about $50,000 should be eligible, but these families are not receiving Pell Grants.

The maximum Pell Grant should be increased since today it covers less than 25 percent of the average cost of attendance, compared to 50 percent in 1980. This would ensure that the neediest students need not borrow and increase the access of middle-income students to grant assistance.

I feel fortunate that I was at least eligible for a Stafford Loan, but the maximum loan of $2,625 for my first 2 years and $4,000 for my last 2 years was just not adequate considering that my parents and I were expected to come up with $21,000 every year. The Stafford Loan limit should be increased to keep up with skyrocketing college costs. My parents now wish that they had explored financial options rather than refinancing two mortgages.

My high school guidance counselor tried her best to help us figure out how to wade through the complicated financial aid process, but she lacked fundamental knowledge of what our options truly were and how to apply for aid. Instead she suggested that we seek out a private consulting firm which charged us a fee to help us fill out the financial aid form and to throw a bunch of brochures out at us. Yet, despite this service, my father still ended up making a bad decision for which he and my mother will be paying a long time.

I was lucky that we could pay for private consultants to help with this process and the 79 questions on the FAF form. However, what about the students and families who cannot afford to pay for this service? What about the students who turn to their high school counselors for information on college, only to find that these counselors are as overwhelmed as they are by the sheer complexity of the student aid system.

Even at my small magnet high school, the counselors could not supply anxious families with all the information they needed on how to pay for a college education. High counselors along with financial aid administrators need comprehensive training and information on the financial aid system and process in order to better motivate and serve their students.

The Federal government should also undertake a major publicity campaign to increase students' awareness of college and financial aid. The DOD annually spends $210 million on advertising, the DOE a paltry $3 million. How can we possibly expect the DOE to effectively publicize and increase students' awareness of financial aid programs on a mere one-seventieth of what the DOD spends on advertising?

Given this dearth of information, the results of the important GAO report that the chairman commissioned are not surprising. As you know, it concluded that there were appalling gaps in students' and parents' awareness of financial aid and college costs. Those who had this prior knowledge were more likely to end up enrolling in college than those who did not, underscoring the importance of information dissemination.

Lastly, a number of changes to the Stafford Loan program would help students stay in college and repay their loans. First, origination fees and insurance premiums should be eliminated. We are asked to take out, say, a $3,000 loan, only get $2,760 of it, and then pay back the entire $3,000 plus interest. This only increases the amount students have to borrow.

Second, better information and repayment schedules would help decrease the number of defaults. Lenders should be required to notify students of the exact month that repayment starts and that deferments are available. The grace period should be restored back to 9 months, and a 15-year repayment schedule should be available for some borrowers.

Third, students are receiving their loans late, a result of congressional mandates for delayed disbursement of lenders' schedules. Students depend on the prompt receive of their loans to pay for tuition, rents, books and so on.

My sophomore year, my fall loan check did not arrive until December. If my father had not used his loan money to cover my tuition payment, I would have been dropped from my classes. Students whose late loan checks are not their fault should not be dropped, have late fees or holds on their student I.D.'s imposed on them, or be forced to drop out of school. These delayed disbursements should be repealed, and schools should be prohibited from penalizing in any way students whose late loan checks are not their fault.

These are just a few of the changes that could improve the student aid programs which have been crucial to my and millions of students' access to higher education.

I thank this committee for their past investment in these programs and for this opportunity to speak to you today. The student aid programs work. Let's give them the support that they and generations of students to come deserve.

Thank you.

[The prepared statement of Mr. Cheng follows:]

PREPARED STATEMENT OF THEODORE CHENG

I would like to thank Chairman Kennedy and the Committee for this opportunity to testify on, student financial aid and Reauthorization of the Higher Education Act. My name is Theo Cheng and I graduated last month from Harvard University. I am testifying today as a beneficiary of the student aid programs and on behalf of the United States Student Association (USSA), the country's largest and oldest national student organization, representing over 350 college campuses and 3.5 million students nationwide. I have included for the record specific legislative proposals for Reauthorization developed by USSA.

First of all, federal financial aid made it possible for my family to send me to college. When I graduated in 1987 from Hunter College High School, a small magnet school in New York City, my parents were very apprehensive about how they were going to afford to send me to college . . . especially after my Student Aid Report concluded that they were expected to contribute between $19,000 and $23,000

annually to my education. The costs of attending Harvard totalled over $18,550 my freshman year and rose to over $22,000 my senior year. I have never qualified for a Pell Grant, and received grant money from Harvard only for my freshman and senior years.

My parents tried to plan ahead for the costs of me and my brother's college educations by refinancing the mortgage on our home to obtain an additional loan of $100,000 to purchase a rental house. Unfortunately, this acquisition turned out to be a financially bad decision; the income derived from renting out this second home has never exceeded my parent's mortgage payments. And to pay for my college education, my parents refinanced the mortgage on the rental house to obtain an additional loan of $60,000. My education has basically put my parents into $160,000 worth of more debt and me into $13,250 worth of Stafford Loan debt. I, like most students, worked during the school year and summers to pay for my education. And to pay off my debt as quickly as possible and to help my family pay for my brother's college education, I will soon begin working at MetLife Insurance Company and put off for a few years my desire to work within the Asian American community and public sector.

While I know that I am fortunate to have been able to go to a school like Harvard, the financial costs that my family's situation illustrates means that a postsecondary education, particularly at independent colleges, is increasingly out of the reach of needy students. Costs of public schools are skyrocketing as well: in the last decade, they have increased 40% above inflation.

Middle-income families in particular have been feeling the squeeze. Yet, in 1978 the Middle Income Student Assistance Act (MISAA) established that families with incomes of $25,000 should be eligible for a Pell Grant. Adjusting for inflation, this means that today a family with an income of close to $50,000 should be eligible. Yet, less than 1.5% of Pell Grant recipients in 1987-88 were from families with incomes of over $30,000. Also, the inclusion of home and farm equity in the calculation of family contribution ends of denying aid to families such as mine. Hence, USSA recommends increasing the maximum Pell Grant, which today covers less than 25% of the average costs of attendance, compared to 50% ten years ago. This would ensure that the neediest students need not borrow and would increase the access of middle income students to grant assistance.

I feel fortunate that I was at least eligible for a Stafford Loan, but the maximum loan of $2,625 for my first 2 years and $4,000 for my junior and senior years was just not adequate considering the fact that my parents and I were expected to come up with $21,000 every year. Stafford Loan limits should be increased to keep up with skyrocketing college costs.

My parents now wish that they had explored financial options other than refinancing two mortgages. This brings up one of students' primary concerns: information dissemination on financial aid. My high school guidance counselor tried her best to help us figure out how to wade through the complicated financial aid process, but she lacked fundamental knowledge of what our financial options truly were and how to apply for aid. In fact, she was the one who suggested that we seek out a private consulting firm to give us this information. My father went to Campus Consultants, which charged us a fee to help us fill out the Financial Aid Form (FAF) and to throw a bunch of brochures at us. Yet despite this private service, my father thinks that he still ended up making a bad decision for which he and my mother will pay for a long time.

Now, I was lucky that we could pay for private consultants to help with the financial aid application process, and the 79 questions on the FAF form. However, what about the students and families who cannot afford to pay for this service? What about the students who turn to their high school counselors for information on college only to find that these counselors are overwhelmed as they are by the sheer complexity of the student aid system? Even at my small magnet high school the counselors could not supply anxious parents and students with all the information they need on how to pay for a college education.

Clearly, there should be training for high school counselors regarding student aid as called for in the Student Counseling Assistance Network Act (S. 501; Kohl). Back in 1970's, the Department of Education provided such training for high school counselors and financial aid administrators. Today, the student aid system is even more complex and college more expensive; yet counselors, who such important components in the pipeline, are no longer eligible for such training.

The federal government should also undertake a major publicity campaign to increase students' awareness of college and financial aid. Just as the Department of Defense annually spends $210 million on advertising and publicity alone, the Department of Education should be actively publicizing the financial aid programs

that can make college accessible. Yet, the Department of Education has virtually no budget for recruitment and advertising. In fact, last year, the Department cut its *The Student Guide* to federal financial aid from 80 pages and replaced it with a 18-page Factsheet, which was much less informative. And the lack of widespread publicity means that the people who should know about the Department of Education's toll-free information line on student aid simply don't know.

Given this dearth of information, the results of the important General Accounting Office report entitled *Gaps in Parents' and Student's Knowledge of School Costs and Federal Aid* that was commissioned by the Chairman perhaps should not have been surprising. As you know, the report concluded that there were serious gaps in students' and parents' awareness of financial aid and the costs of college. One national survey found only 12% of all high school sophomores knew that Pell Grants were available and only 8% knew Stafford Loans were available. High school seniors generally had only slightly more knowledge of these programs. But those who had this prior knowledge were more likely to end up enrolling in college than those who did not.

In addition, USSA believes that any new early intervention effort will be less than effective unless we undertake a serious and vigorous attempt to publicize the existing student aid options. The success of programs such as Eugene Lang's "I Have a Dream" is predicated on students' early awareness and certainty that financial assistance is available to make college accessible to the poorest youth. However, as long as we fail to adequately publicize student aid and as long as Pell Grants remain a discretionarily funded and thus uncertain source of student aid, successful early intervention with America's disadvantaged youth will remain a distant dream. *We hope that this committee will incorporate funding for such a publicity and information dissemination effort, and make Pell Grants a true entitlement.*

In addition, a number of changes to the Stafford Loan program would help students stay in college and repay their loans. First, origination fees and insurance premiums on Stafford Loans should be eliminated. Students are asked to take out say a $3,000 loan, only get $2,760 of it, and then pay back the entire $3,000 plus interest! This only increases the amount students have to borrow.

Second, *better information and repayment schedules would help decrease the number of defaults.* Lenders should be required to notify students of the exact month that repayment starts and that deferments are available. The grace period should be restored back to 9 instead of 6 months, and a 15-year repayment schedule should be available for some borrowers.

Third, *we are very concerned about the lateness with which students receive their loans . . . whether it is a result of Congressional mandates for delayed disbursement of lenders' schedule.* Students depend on the prompt receipt of their loan money to pay for tuition, rent, books and so on. My sophomore year my Fall loan check did not arrive until December. If my father did not use his loan money to cover my tuition payment, I would have been dropped from my classes. Students whose late loan checks are not their fault should NOT be dropped from their classes, have late fees or holds on their student I.D.'s imposed on them, or be forced to drop out of school. These mandated delayed disbursements should be repealed, and it should be written into law that schools cannot penalize in any way students whose late loan checks are not their fault.

These are just a few of the changes that could improve the student aid programs, which have been crucial to me and millions of students' access to higher education. I thank this Committee for their past investment in these programs and for this opportunity to speak to you today. The student aid programs work; let's give them the support that they—and generations of students to come—deserve.

USSA United States Student Association

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S.S.A.M.

State Student Association of Massachusetts
162 Boylston Street • Boston, Massachusetts 02116
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LEGISLATIVE PROPOSALS FOR THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT

Submitted to:
the Labor and Human Resources Committee of the U.S. Senate,
The Honorable Edward Kennedy, chair

July 16, 1991

The United States Student Association (USSA) is the country's oldest and largest national student organization, representing more than 3.5 million students. The State Student Association of Massachusetts (SSAM) represents 180,000 public higher education students in the Commonwealth of Massachusetts.

USSA and SSAM submit the following legislative proposals for the Reauthorization of the Higher Education Act after a long process of development by students across the country. We particularly urge this committee to strengthen its commitment to equal access to a postsecondary education by redoubling its investment in the programs that we know work: Pell Grants, the TRIO Programs for Students from Disadvantaged Backgrounds, Supplemental Educational Opportunity Grants, College Work-Study, and Perkins Loans.

At a time when states are facing budget cuts and institutions are imposing mid-year tuition increases and enrollment cuts, the partnership between the federal government and states found in the State Student Incentive Grant program - as well as the partnership between the federal government and postsecondary institutions found in the three campus-based programs - are even more vital. For example, in Massachusetts, the governor and state legislature have slashed scholarship aid programs significantly. Students who are not receiving aid from the Commonwealth are looking to the federal government for assistance in order to continue their education.

The Higher Education Act has made a college a reality for millions ofdents; our needs as a Nation and the rights of our people require that our commitment to student financial programs remain strong throughout this century.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
Part 1 General Higher Education Programs **TITLE I-Postsecondary Programs for Nontraditional Students** Part A Program and Planning Grants [illegible] There is authorized to be appropriated to carry out this part $[illegible] for fiscal year 1987 and such sums as may be necessary for each of the 4 succeeding fiscal years. One hundred percent of the funds appropriated under this section for fiscal year [illegible] shall be available only to carry out sections [illegible] and 112.	Section 115 is amended to read as follows: There is authorized to be appropriated to carry out this part $12,000,000 for fiscal year 1992 and such sums as may be necessary for each of the 4 succeeding fiscal years.	* With non-traditionally aged students becoming the "new majority" on our campuses - according to the Department of Education, 41% of undergraduates were age 25 or over in 1987 - these programs are even more important in helping institutions effectively recruit, educate and graduate students of all backgrounds. This sum would bring funding back to about 1985 levels.
Part B National Programs [illegible] No funds are authorized to be appropriated for this part [illegible] of this part for fiscal year 1987 and the 4 succeeding fiscal years.	Section 122 is amended to read as follows: There is authorized to be appropriated to carry out this part $10,000,000 for fiscal year 1992 and such sums as may be necessary for each of the 4 succeeding fiscal years.	* Services and programs for adult learners cannot be effectively designed or evaluated without adequate funding for research in this area.
Part C The National Advisory Council on Continuing Education [illegible] a Establishment and Composition. The President shall appoint a National Advisory Council on Continuing Education [illegible] consisting of 7 representatives of Federal agencies having primary responsibility [illegible] education and training responsibilities, including but not limited to: [illegible] one representative each from: A. the Department of Education, B. the Department of Agriculture, C. the Department of Defense, D. the Department of Labor, and E. the Veterans Administration, and [illegible] not fewer than [illegible] employees of the Federal Government who are knowledgeable and experienced in the field of [illegible] including State and local governments, business, labor, and community groups, and adults whose educational needs have been inadequately served.	Paragraph (a) (2) of Section 131 is amended by striking out "whose educational needs have been inadequately served" and inserting in lieu thereof "who are currently enrolled nontraditional students." Section 146 is amended by striking out "146" and inserting "147", and a new Section 146	* The perspective and expertise of currently enrolled nontraditional students are necessary to any examination and discussion of federally supported continuing education and training programs.
[illegible] [illegible] This part [illegible] [illegible] agency, [illegible] an organization [illegible] community agency with an established program of instruction such as elementary and secondary schools, Head Start, State, [illegible] agencies serving youth, and agencies that [illegible] handicapped, including disabled veterans, [illegible] the term 'institution of higher education' has the same meaning given that term by section [illegible] of the Higher Education Act of [illegible] and	"Part D-Requirement for Student Financial Assistance Section 148. Any eligible institution receiving student financial assistance under Title IV of this Act that has a evening student population that consists of 30% or more of its total enrollment must demonstrate to the Secretary that it has evening services, including financial aid office hours, for these students.	* With the increasing numbers of part-time students, many of whom attend school at night, key student services must be provided during nighttime hours or these students are completely marginalized. In recognition of the equal needs of these students, some schools have "Night School Student Governments." These students are no less deserving or in need of crucial services such as financial aid counseling.

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Title IV-Student Assistance **Subpart 1-Basic Educational Opportunity Grants**		
BASIC EDUCATIONAL OPPORTUNITY GRANTS AMOUNT AND DETERMINATIONS; APPLICATIONS SEC. 411. (a) PROGRAM AUTHORITY AND METHOD OF DISTRIBUTION.—(1) The Secretary shall during the period beginning July 1, 1972, and ending September 30, 1992, pay to each eligible institution such sums as may be necessary to pay to each eligible student (defined in accordance with section 484) for each academic year during which that student is in attendance at an institution of higher education, as an undergraduate, a basic grant in the amount for which that student is eligible (as determined pursuant to paragraph (2)). Not less than 50 percent of such sums shall be advanced to eligible institutions prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay eligible students. (2) Nothing in this section shall be interpreted to prohibit the Secretary from paying directly to students in advance of the beginning of the academic term an amount for which they are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1). (b) PURPOSE AND AMOUNT OF GRANTS.—(1) The purpose of this subpart is to provide a basic grant (that is, as determined under paragraph (2) will meet 50 percent of a student's cost of attendance (as defined in section 411F) and (B) in combination with reasonable parental or independent student contributions and supplemented by the programs authorized under subparts 2 and 3 of this part, will meet 75 percent of a student's cost of attendance (as defined in section 472), unless the institution determines that a greater amount of assistance would better serve the purposes of section 401. (2)(A) The amount of the basic grant for a student eligible under this part shall be— (i) $1,400 for academic year 1987-1988; (ii) $1,440 for academic year 1988-1989; (iii) $1,500 for academic year 1989-1990; and (iv) $1,600 for academic year 1990-1991, less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year. (B) The amount of a basic grant to which a student is entitled under this subpart for any academic year shall not exceed 50 percent of the cost of attendance (as defined in section 411F) at the institution at which the student is in attendance for that year.	Section 411 (a) (1) is amended by striking "September 30, 1992" and inserting in lieu thereof "September 30, 1997." Section 411 (b) (1) is amended by striking "60 percent" and inserting in lieu thereof "up to 75 percent", and by striking "75 percent" and inserting in lieu thereof "up to 100 percent" Section 411 (b) is amended as follows: "(i) $4,300 for academic year 1992-92, (ii) $4,500 for academic year 1992-93, (iii) $4,700 for academic year 1993-94, (iv) $4,900 for academic year 1994-95, (V) $5,000 for academic year 1995-96, less an amount determined to be the expected family contribution for that year."	* Reauthorizes program for next 5 years * By allowing Pell Grants to cover up to 75% of a student's cost of attendance - and in combination with family and individual contributions, and other student aid programs up to 100% - this would help ensure that low-income students - the neediest in particular - will not have to take out large loans to pay for college. After all, the increasing costs of student loan defaults are directly tied to the huge increase in the number of students forced to take on loans. (Half of all 1986 4-yearcollege graduates had education debts, compared to 33% of all 1977 graduates.) * Since FY79 the maximum Pell Grant has declined in real terms by 28% and thus only covers 25% of a student's cost of attendance, compared to 46% in FY79. This has forced needy students to take on loans, while others have to had to go to school part-time while working long hours. The balance of loans and grants has also dramatically shifted: Year / Grants / Loans / Work Study (College Board) 1975-76 / 80% / 17% / 3% 1980-81 / 56% / 40% / 4% 1989-90 / 49% / 48% / 3%

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		Moreover, before 1980, the maximum Pell Grant along with a student loan could cover a needy student's costs of attendance. After 1980, however, the maximum Pell Grant and a maximum Stafford Loan would NOT cover these costs, forcing a student to borrow from more expensive and less manageable loan programs (like SLS and PLUS). Raising the maximum Pell Grant to these proposed levels would restore their purchasing power to FY80 levels.
		This would also restore middle-income students' eligibility for this program: in 1987-88, only 9.3% of Pell Grants went to students with family incomes between $20,001-$30,000, and 1.5% to ones with family incomes of over $30,001.
		Increasing grant aid is crucial to the recruitment and retention of students of color and low-income students. With the college chances of these groups on the decline, a redoubled investment in grant programs is necessary.
	Section 411 (b) (2) is amended by striking out "(B)" and inserting "(C)" and	* By increasing the grant amount available to students during their first two undergraduate years, this proposal would help retain low-income students.
	"(B) The basic grant amounts in (A) shall be increased by $800 during the period required for a student to complete his/her first undergraduate academic year, and by $400 during the period required for a student to complete his/her second undergraduate academic year."	A 1989 study of 4-year colleges and universities revealed that out of students who did not receive a grant during their first year, only 75% returned for the second semester. However, 90% of those who did receive a grant during their first year were still enrolled during the second semester. This would also decrease the amount of loan defaults resulting from students dropping out during the first two years (when attrition is the highest).

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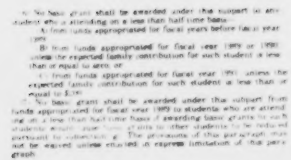
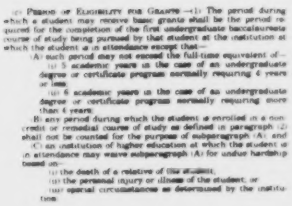
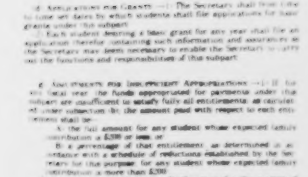
	Section 411 (b) (3) is amended by striking "60 percent" and inserting in lieu thereof "75 percent"	* The 60% limitation ends up reducing the awards of very needy students at lower-cost institutions whose award covers a smaller percentage of need that that of their peers with higher family incomes
	Section 411 (b) are amended by striking (6) and (7) and inserting in lieu thereof "(6) Students attend on a less than half-time basis are eligible for grants if their expected family contribution is less than or equal to $200."	* The suspension of the 1986 amendment authorizing aid to part-time students has hurt the college access of these students, who are mostly nontraditionally aged students and female. Many of these students have to balance child and other dependent care responsibilities, work and education, and so have no other choice than to go to college on a part-time basis. Yet they are excluded from the largest grant program. This proposal would restore the eligibility of the neediest part-time students.
	Section 411(c) is amended by striking (3) and (1) and inserting in lieu thereof "(1) An eligible student may receive basic grants during the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance provided that such student maintains satisfactory progress in that course of study in accordance with the provisions of Section 484(c) of this title."	* We agree with the National Association of Student Financial Administrators (which developed this proposal) that the arbitrarily determined period of eligibility for Pell Grants should be modified. Currently eligibility cannot exceed 5 academic years for students in undergraduate programs requiring 4 years of study or less, or to 6 academic years if the program requires more than 4 years of study. These artificial limits are not necessary since there exists a current prerequisite of "satisfactory progress" for continued student aid eligibility. The impact is that students are unfairly denied grant aid when they so close to completing their degree. And there are many reasons why most students cannot graduate within 4 years, including the fact that at many schools necessary classes are offered very rarely, which makes it difficult for students to graduate within a fixed period of time.

CURRENT LAW



SUGGESTED AMENDMENT OR SUBSTITUTE

Section 411 (d) is amended by adding

"(3) (A) An applicant who is receiving or (in the case of a dependent student) whose parent (s) is/ are receiving welfare benefits under part A of title IV of the Social Security Act, or assistance under the Food Stamp Program during the year preceding the award year shall, under a process established by the Secretary, automatically be determined as having an expected family contribution of $0 based on verification that such assistance will continue during the award year.

(B) The Secretary will develop a process by which first-year high school students from low-income backgrounds as determined by their receipt of financial assistance listed in (A) for four or more years are automatically declared as having an expected family contribution of $0 and thus will receive the maximum Pell Grant upon entrance to an eligible institution of postsecondary education. Only if the student's financial circumstances change dramatically will there be exceptions.

(C) The Secretary shall develop an application process by which those students who are receiving a grant under this subpart and are applying for an award for the succeeding year, and whose family financial circumstances have not changed significantly can certify that their none of the data required to determine expected family contribution have changed by more than ten percent from the data used to determine the student's current year award."

RATIONALE/EXPLANATION

* Students who have already be proven to have significant financial need through their or ther family's receipt of welfare benefits, AFDC, or food stamps should not have to apply for a foregone conclusion. This proposal will help simplify the complicated student aid application process for low-income and first-generation college students, who are likely to be intimidated by this process.

In addition, an early certainty that he/she will be eligible for the maximum Pell Grant will encourage economically disadvantaged youth and their families to pursue a postsecondary education, and see such an opportunity as within their reach.

* This proposal would simplify the updating process, which right now requires students to fill out ALL the application forms again even though most of the data does not change. This will both streamline the system AND facilitate the access of students and families to the student aid system.

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	(g) REIMBURSEMENT OF INSTITUTIONAL ADVANCES REQUIRED. - (1) Each institution of higher education which has an agreement with the Secretary under paragraph (3) of this subsection -	* USSA feels strongly that Pell Grants should be an entitlement. Pell Grants were suppose to to be the cornerstone of the student aid system, yet it has been surpassed by the Stafford Loan program, which provides twice as much aid as the Pell Grant program. The Stafford Loan program is an entitlement, yet Pell Grants are not and instead are subjected to the uncertain and fluctuating funding levels of the appropriations process. It makes it very difficult for students to plan their education budget if they do not know for certain if and how much money they will receive from the program.
	(A) shall make awards to its eligible students in the full amount to which such student is entitled under this subpart,	
	(B) shall, except as provided in paragraph (5), credit the amounts of such awards toward the tuition, fees, room and board and other expenses incurred by the eligible student,	
	(C) shall submit vouchers for reimbursement of such awards at such time, in such form, and containing or accompanied by such information as the Secretary may require by such regulation.	
	(2) The Secretary will reimburse each institution submitting a proper voucher under paragraph (1) (C) for the full amount of the awards credited by such institution to eligible students as required by paragraph (1) (B).	A true Pell Grant entitlement would help restore the proper loan/grant balance, get rid of funding uncertainties, and ensure that the authorized maximum award is actually given out.
	(3) Each institution desiring to provided grants under this subpart to its eligible students shall enter into an agreement with the Secretary for purposes of this subsection. Such agreement shall-	In addition, a Pell Grant entitlement would encourage low-income and first-generation college students, and students of color to pursue higher education by providing some certain funding options.
		In addition, any new federal early intervention effort modeled after Eugene Lang's "I Have A Dream" program must be able to ensure disadvantaged youth that there WILL be financial assistance for them if they pursue college. This certainty that the money is available for college is a critical part of Mr. Lang's success. Yet, if Pell Grants remain a discretionarily funded program, we cannot guarantee to even the lowest-income students that they will receive a PellGrant, much less predict how much it would be. Unless Pell Grants become an entitlement, this crucial part of our early intervention efforts will be missing, and our attempts to reach out to generations of disadvantaged youth will be undermined.

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	(A) specify the conditions with which the institution must comply to obtain reimbursements under this subsection; (B) specify the obligations of the Secretary with respect to such reimbursements; and, (C) contain such additional terms and conditions as the Secretary may require by regulation. (4) An institution which - (A) has entered into an agreement with the Secretary under paragraph (3), (B) has awarded grants to eligible students in accordance with this subpart, and (C) credited such awards in accordance with paragraph (1) (B) of this subsection, shall be deemed to have a contractual right against the United States to receive reimbursement according to the provisions of this subsection. Such reimbursement shall, for purposes of chapter 39 of title 31, United States Code, be considered to be payments for the acquisition of serves by contract with the Department of Education. (5) In the case of a student who does not reside in institionally owned or operated housing and whose	USSA recognizes that the "pay-as-you-go" system for entitlements under the Budget Enforcement Act requires Congress to find either new revenues or cuts in other entitlements to pay for the creation of a new entitlement. In this second step of creating a Pell Grant revenue, USSA suggests that Congress explore the possibility of limiting tax loopholes, and an income tax surcharge on the wealthiest taxpayers. We cannot begin figuring out ways to pay for a Pell Grant entitlement until Congress actually authorizes such an entitlement, which is what we are urging Congress to do.

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	basic grant exceeds the amount of the tuition and fees owed by that student in accordance with such procedures as may be prescribed by the Secretary For purposes of paragraph (4) (C), any amounts so paid shall be treated as amounts credited in accordance with paragraph (1) (B), and may be used by such student to cover room, board, transportion, child care, books, and other costs of attendance." (2) CONFORMING AMENDMENTS - (A) Section 411 (a) of usch Act is amended - (i) by inserting "in accordance with subsection (g)" after "pay to each eligible institution" in paragraph (1), (ii) by striking "paragraph (2)" and inserting "subsection (b)", (iii) by striking the last sentence of paragraph (1) and, (iv) by striking "paragraph (1)" in paragraph (2) and inserting "subsection (g)"	
(j) The term 'assets' means cash on hand, including amounts in checking and savings accounts, time deposits, money market funds, trusts, stocks, bonds, other securities, mutual funds, tax shelters, and the net value of real estate (other than the principal residence) and business and farm assets.	Section 411 (F) (2) is amended by inserting immediately after "farm assets.", the following: "No cash on hand or other property (or interest therein) of a dependent student shall be treated as an asset of the student (or spouse) for purposes of section 411B (1) except to the extent that such cash or porperty exceeds the amount the student is required to contribute from discretionary income under section 411B (f)."	* The current Pell Grant formula penalizes students who work and save money. If a student works and saves a portion of these earnings, the earnings are assessed twice: once in the base-year income calculation and once in the asset calculation. This proposal corrects this problem which ends up discouraging students from saving money to pay for college.

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	Section 411F (2) is amended by inserting immediately after "(2)" the word "(A)", and inserting immediately after "farm assets." the following:	
	(B) For academic year 1992-93 and succeeding academic years, the term 'assets' shall not include, in the case of family with an adjusted gross income equal to or less than $40,000, the net value of -	* The calculation of the net value of a student's family's home or farm as an asset ends up denying student aid to many hard-pressed middle-income families. The jump in housing prices has increased the value of many people's homes but not necessarily their r ability to pay for college. While these families have equity available for borrowing against, many hard-pressed families cannot afford to pay for home equity loan payments. The income ceiling of $40,000 means that this proposal would help the neediest families.
	(i) the family's principal place of residence; or	
	(ii) a family farm (as that term is defined in regulations prescribed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act) on which the family resides."	
[illegible]	Section 411F (5) (B) (i) is amended by striking out "$1,700" and inserting in lieu thereof "$2,200 for academic year 1992-93."	* This $500 increase represents just a 30% increase over the level set in 1986 for this "commuter allowance" that students, living at home with their parents, require to pay for books, meals, supplies, transportation (especially that!), and other expenses.
	Section 411F (5) (B) (ii) is amended by striking out "$2,300" and inserting in lieu thereof "$3,000 for academic year 1992-93."	* This $700 increase is also just a 30% increase for students who are not living with their parents. An increase to $3,000 is necessary in light of the Finances for Higher Education Institutions November 1990 report that the mean typical room and board charges at public colleges was $2,400 in 1989-90. Any additional money after inflation is needed for books, supplies, and transportation.
	Section 411F (5) (B) (iv) is amended by striking out "$1,000" and inserting in lieu there of "$3,000 for academic year 1992-93."	* This increase in the allowance for child care is necessary since the national average for day care costs for just toddlers is over $3,000 a year. A more realistic calculation of the costs of child care will help ensure that parental status - especially for women - does not hinder students' college access.

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	Section 411F (5) is amended by striking out all that follows "except that" and inserting in lieu there of "the dollar amounts specified in clauses (i) and (ii) above shall be increased by $100 for each of the academic years succeeding 1992-93."	* It makes sense that as room and board costs increase with inflation that these increased costs be calculated into students' allowance.
(1)(A) The term 'independent', when used with respect to a student, means any individual who- (i) is 24 years of age or older by December 31 of the award year; or (ii) meets the requirements of subparagraph (B). (B) Except as provided in subparagraph (C), an individual meets the requirements of this subparagraph if such individual - (i) is an orphan or ward of the court; (ii) is a veteran of the Armed Forces of the United States; (iii) is a graduate or professional student who declares that he or she will not be claimed as a dependent for income tax purposes by his or her parents (or guardian) for the first calendar year of the award year; (iv) is a married individual who declares that he or she will not be claimed as a dependent for income tax purposes by his or her parents (or guardian) for the first calendar year of the award year; (v) has legal dependents other than a spouse; (vi) is a single undergraduate student with no dependents who was not claimed as a dependent by his or her parents (or guardians) for income tax purposes for the 2 calendar years preceding the award year and demonstrates to the student financial aid administrator total self-sufficiency during the 2 calendar years preceding the award year in which the initial award will be granted by demonstrating annual total resources (including all sources of resource other than parents and living allowances received as a result of participation in a program established under the National and Community Service Act of 1990) of $4,000; or (vii) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstance.	Section 411F (12) is amended by striking subparagraphs (A) and (B) and inserting in lieu there of: "12 (A) The term 'independent,' when used with respect to a student, means any individual who - (i) is 24 years of age or older by December 31 of the first calendar year of the award year, (ii) is an orphan or is or has been ward of the court, (iii) is a veteran of the Armed Forces of t the United States, (iv) is a graduate or professional student, (v) is married or has legal dependents, (vi) is an undergraduate student who was not claimed by his or her parent(s) [or guardian] for income tax purposes for the first two calendar years preceding the first calendar year of the award year, and who either - (I) was awarded assistance under this title as an independent student in the prior award year, or (II) demonstrates to the student financial aid administrator total self-sufficiency during the two	* USSA strongly urges this Committee to reexamine the definition of an independent student. The current definition excludes many genuinely self-sufficient students (see box). Under the existing definition, if you are a genuinely self-sufficient student who does not fall into any of the automatic criteria, you must fulfill two conditional criteria: (1) your parents could not claim you as a dependent on their taxes for two years, AND (2) you must have total resources of at least $4,000 (not counting parental support) during those two years. However, your chances of receiving independent student status are sabotaged if: (1) your parent(s) have claimed you on their income taxes; (2) your parent(s) refuse to make their tax forms available to you; (3) in certain areas, you can and are surviving on less than $4,000 a year; (4) you first receive financial aid as a dependent. In terms of this fourth catch: the way the regulations are written, you must not be claimed by your parents and have resources in excess of $4,000 the two years prior to the first year you received aid, NOT the two year prior to the award year you are applying for. The unfairness of this was vividly illustrated by a Maryland student at a Senate subcommittee field hearing. She is 21 years old and was financially independent when she was 18

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	calendar years preceding the first calendar year of the award year by demonstrating annual total resources (including all sources other than parents and student aid) of $4,000 or, in the case of a student with such annual total resources of less than $4,000, by demonstrating that such student was able to sustain themselves during such period and that remaining sources of financial support were not available from parents or guardians, or	and 19 years old. However, she was told by the financial aid office that she could not receive independent student status unless she had been financially self-sufficient and not claimed on her parents' taxes when she first received financial aid was an 18-year freshman and was considered a dependent. So even though during her sophomore and junior years, she was NOT claimed on her parents' taxes and had personal resources in excess of $4,000 annually - which she raised by working full-time, going to school full-time and accumulating over $8,000 worth of debt - and did not receive a dime from her parents for college, she was considered as failing to provide sufficient proof of her self-sufficient status.
	(viii) is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.	USSA is proposing that this Committee clarify that the two years in question are those preceding the award year one is applying for. In addition, we strongly support the continuation of the ability of student aid administrators to use their professional judgment to declare a student independent even if he/she does not meet the the automatic or conditional criteria. We also urge the Committee to consider ways the ensure that all aid administrators are aware of and willing to exercise this discretion (perhaps through the establishment of community-developed guidelines for the use of this authority); this would also help ensure consistency from school to school.
(1) The term 'untaxed income and benefits' means— (A) child support received; (B) welfare benefits, including aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act and aid to dependent children; (C) workman's compensation; (D) veterans' benefits such as death pension, dependency and indemnity compensation, but excluding veterans' education benefits; (E) interest on tax-free bonds; (F) housing, food, and other allowances (excluding rental subsidies for low-income housing for military, clergy, and others, including cash payments and cash value of benefits); (G) cash support or any money paid on the student's behalf; (H) the amount of earned income credit claimed for Federal income tax purposes; (I) untaxed portion of pensions; (J) credit for Federal tax on special fuels; (K) the amount of foreign income excluded for purposes of Federal income taxes; (L) untaxed social security benefits; (M) payments to individual retirement accounts and Keogh accounts excluded from income for Federal income tax purposes; and (N) any other untaxed income and benefits, such as Black Lung benefits, Refugee Assistance, railroad retirement benefits, or Job Training Partnership Act assistance under title II-A.	Section 411F (12) is further amended by striking "subparagraph (B)" each place it appears in subparagraphs (C) and (D) and inserting "subparagraph (A)" instead, and redesignating subparagraphs (C) and (D) as (B) and (C).	
	Section 411F (15) is amended by deleting subparagraph (B)	* This proposal would eliminate the inclusion of welfare benefits in the calculation of expected family contribution.

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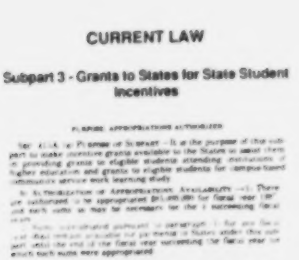
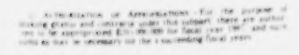
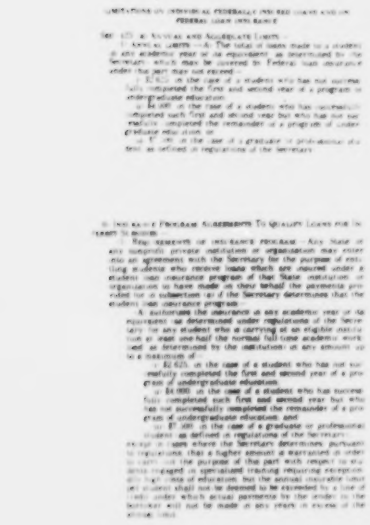
Subpart 2 - Supplemental Educational Opportunity Grants AUTHORIZATIONS OF APPROPRIATIONS; ALLOTMENTS SEC. 413A. (a) PURPOSE OF SUBPART.—It is the purpose of this subpart to provide (through institutions of higher education) supplemental grants to assist in making available the benefits of postsecondary education to qualified students who demonstrate financial need in accordance with the provisions of part F of this title. (b) AUTHORIZATION OF APPROPRIATIONS.—(1) For the purpose of enabling the Secretary to make payments to institutions of higher education which have made agreements with the Secretary in accordance with section 413C(a), for use by such institutions for payments to undergraduate students of supplemental grants awarded to them under this subpart, there are authorized to be appropriated $490,000,000 for fiscal year 1987, and such sums as may be necessary for the 4 succeeding fiscal years. (2) Sums appropriated pursuant to this subsection for any fiscal year shall be available for payments to institutions until the end of the second fiscal year succeeding the fiscal year for which they were appropriated. (c) PERIOD FOR WHICH GRANTS CONSTITUTE ELIGIBILITY.—(1) The period during which a student may receive supplemental grants shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student. (2) SELECTION OF INDIVIDUALS AND DETERMINATION OF AMOUNT OF AWARD.—(1) From among individuals who are eligible for supplemental grants for each fiscal year, the institution shall, in accordance with the agreement under section 487, and within the amounts allocated to the institution for that purpose for that year under section 413D, select individuals who are to be awarded such grants and determine, in accordance with section 413B, the amounts to be paid to them. (2)(A) In carrying out paragraph (1) of this subsection, each institution of higher education shall, as the agreement made under section 487 requires, that the selection procedures— (i) will be designed to award supplemental grants under this subpart, first, to students with exceptional need; and (ii) will give a priority for supplemental grants under this subpart to students who receive Pell Grants and meet the requirements of section 484. (B) For the purpose of subparagraph (A), the term 'students with exceptional need' means students with the lowest expected family contributions at the institution. (d) USE OF FUNDS FOR LESS-THAN-FULL-TIME STUDENTS.—If the institution's allocation under this subpart is directly or indirectly based in part on the financial need demonstrated by students attending the institution less than full time, a reasonable proportion of the institution's allocation shall be made available to such students.	Section 413A (a) is amended by striking out "$490,000,000 for fiscal year 1987" and inserting in lieu thereof "$604,000,000 for fiscal year 1992." Section 413B (b) is amended by striking the period and inserting in lieu thereof "or the first academic year of the first post-baccalaureate degree." Section 413C (d) is amended by inserting "(1)" and "(d)" and by adding a new subparagraph (2): "(2) Use of Funds for Graduate Students - If the institution's allocation is directly based in part on the financial need demonstrated by students attending the institution in a post-baccalaureate program, a reasonable proportion of the institution's allocation shall be made available to such students." Section 413D (d) (2) is amended by inserting "and graduate" after "undergraduate" each time it appears. Section 413C (a) (2) is amended by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof "75 percent of such awards in any fiscal year." Section 413C (d) is amended by inserting before the period ", provided that if the total financial need of such students exceeds ten percent of the institution's allotment, then at least ten percent of the allotment will be made available to such students."	* This increase in SEOG is necessary considering the 11.9% real decline in federal funding since FY80. The number of SEOG recipients has dropped accordingly. A renewed commitment to this program as well as to the Pell Grant program will help restore the proper balancebetween loans and grants. This proposal would bring funding back to 1980 inflation-adjusted levels. * USSA supports this proposal by the National Education Association to extend SEOG eligibility to first-year graduate students. As extensive testimony before the Committee has indicated, the number of doctorates going to U.S. citizens, and in particular to women and people of color, is declining. The only federal support going to graduate students is a limited amount of fellowships and work-study. This proposal would help needy students pursue a graduate education. * USSA joins the American Council on Education in supporting a uniform campus match of 25% for SEOG and the other two campus-based programs (Currently it is 25% for SEOG, 30% for College Work-Study and 10% for Perkins Loans.) * This would strengthen the current requirement that a "reasonable proportion" of SEOG funds be available to less-than-full-time students by ensuring that schools that base part of their institutional need on such students make 10% of its SEOG funds available to these students.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
Subpart 3 - Grants to States for State Student Incentives 	Section 415A (b) is amended by striking out "85,000,000 for fiscal year 1987" and inserting in lieu thereof "$125,000,000 for fiscal year 1992"	* The SSIG program is an important program that enables states to fund need-based scholarship programs. Unfortunately, funding for SSIG has fallen 32% since 1980. SSIG funding should not be eliminated because in 10 states and the District of Columbia, federal SSIG contributions make up more than 40% of their funding for state need-based grant programs. One expert predicted that 8 states would eliminate their grant programs is SSIG funding was terminated. This proposal would bring SSIG funding back to 1980 inflation-adjusted levels.
	Section 415C (b) (3) is amended by inserting immediately after "section 443(b)(1)." (D) states where less than 50% of the funding for the state grant program comes from SSIG funds must demonstrate the Secretary that they are establishing innovative need-based programs designed to encourage the college participation of disadvantaged students (including minority, low-income, first-generation college students, and disabled students) with these SSIG funds. (E) in states where more than 25% of SSIG funding is channeled to private institutions, these schools must provide one-to-one matching funds as well.	* In states where the federal SSIG contribution is being "overmatched", there remains much to do to ensure the equal participation of traditionally underrepresented populations in undergraduate, graduate and professional schools. This proposal would help ensure that states are using their funds along with SSIG funding to follow the lead of other states which have developed special scholarships for students of color, disabled students, and low-income graduate/professional students. * This would ensure that private institutions that receive significant portions of a state's SSIG funding also contribute to state need-based grant programs.
Subpart 4 - Special Programs for Students from Disadvantaged Backgrounds 	Section 417A (c) is amended by striking out "$205,000,000" and inserting in lieu thereof "$696,000,000 for fiscal year 1992". **USSA endorses the recommendations on Subpart 4 made by the National Council of Equal Opportunity Associations.**	* TRIO programs are incredibly successful - TRIO students are twice as likely to to complete the first year of college and four times as likely to graduate from college than non-TRIO participants. Talent Search and Upward Bound place 75-80% of their high school students in postsecondary institutions. Unfortunately, the six TRIO programs - Upward Bound, Talent Search, Student Support Services, Educational Opportunity Centers, Ronald E.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLNATION
		McNair Post-Baccalaureate Achievement Program and TRIO Staff Training - remain underfunded despite a large increase between FY 90 and FY91. In fact, funding actually declined in real terms by 9.8% since FY80. Because of this underfunding, TRIO programs cannot serve all eligible students. NCEOA calculates that while 40% of junior and high school students are eligible for TRIO services, less than 1% are actually served, and while 17% of college students are eligible, only 2% are actually served. This proposal would double the number of students served by these important programs.
Subpart 7 - Assistance to Institutions of Higher Education Veterans Education Outreach Program [illegible]	Section 420A (a) is amended by striking out "$5,000,000 for fiscal year 1987" and inserting in lieu thereof "$7,000,000 for fiscal year 1992"	* Veterans' status should not be an impediment to students' access to higher education, especially since veterans have served our country.
Subpart 8- Special Child Care Services for Disadvantaged College Students [illegible]	Section 420B (c) is amended by striking out "$10,000,000 for fiscal year 1987" and inserting in lieu thereof "$10,000,000 for fiscal year 1992"	* With the number of nontraditional students and mothers entering institutions of postsecondary education, we must ensure that child care responsibilities are not a barrier to college access for our campuses."New Majority." For many of these students, child care is as important as student aid to their continuing education.

CURRENT LAW

Part B - Robert T. Stafford Student Loan Program



SUGGESTED AMENDMENT OR SUBSTITUTE

Section 425 (a) (1) (A) (i) is amended by striking out "(ii) and (iii) and redesignating them as (iii) and (iv), and inserting after "undergraduate education," the following: "(ii) $3,500 in the case of a student who has successfully completed the first such year but who has not sucessfully completed the second such year of a program of undergraduate education,"

The amended (iii) is further amended by striking out "$4,000" and inserting in lieu thereof "$5,000", the amended (iv) is futher amended by striking out "$7,500" and inserting in lieu thereof "$9,000"

Section 425 (a) (2) (A) (i) and 428 (b) (1) (B) (i) are amended by striking out "$17,250" and inserting in lieu thereof "$21,250"

Section 425 (a) (2) (A) (ii) and 428 (b) (1) (B) (ii) are amended by striking out "$54, 750" and inserting in lieu thereof "$66,250"

Section 427 (a) (1) (C) is amended by adding immediately after "institution)" the words "or is attending school on a part-time basis towards a degree."

Section 4 7 (a) (2) (B) is amended by striking "6" and inserting "9" wherever there is a "6", and by adding a new subparagraph (iv) to read as follows:

"(iv) that the lender upon request of a borrower whose total debt under this part exceeds $10,000 shall offer the borrower a graduated repayment schedule. Such schedule may, in accordance with regulations to be prescribed by the Secretary, extend the repayment period for up to 15 years and shall provide for reduced payments for up to the first five years, though such payments shall be sufficient to pay for interest on the unpaid principal balance."

RATIONALE/EXPLANATION

* Increases in maximum loan limits are necessary with skyrocketing college costs that have outpaced both inflation and family incomes. Since 1980, private four-year college costs have risen 52.2% above inflation, while public four-year schools costs have jumped 39.9% in real terms. During this period, federal financial aid declined by 3% in real terms and family incomes has increased by only 18% above inflation. In addition, such increases would and should expand the Stafford Loan eligibility of middle-income studentbts for whom this program was originally designed. These students have been squeezed our the Stafford Loan program and forced to take on more onerous loans such as SLS and PLUS.

USSA is not recommending an increase in Stafford loan limits for first-year students, since increases in Pell Grant and SEOGs should ensure that low-income students need not borrow extensively.

* Once again, the ineligibility of part-time students for the largest student aid program does not make sense in terms of the changing demographics of our college campuses.

* The grace period after graduation (or discontinuation of school) should be extended back to 9 months. Many times it takes that many months before a student can find a job and have the money to start paying back his/her loans.

Also, the current ten-year repayment schedule can be extremely difficult for graduates, especially those who enter low-paying jobs. For those with debts in excess of $10,000, a graduated 15-year repayment schedule should be available. This investment would cut down on the number of student loan defaults by those who intend to pay but cannot do so in a ten-year period.

Title IV Stafford Loans

CURRENT LAW

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED STUDENT LOANS

SEC. 427. (a) LAW OR REQUIREMENTS.—Except as provided in section 428C, a loan by an eligible lender shall be insurable by the Secretary under the provisions of this part only if—

(1) made to a student who (A) is an eligible student under section 484, (B) has agreed to notify promptly the holder of the loan concerning any change of address, and (C) is carrying at least one-half the normal full-time academic workload for the course of study the student is pursuing (as determined by the institution); and

(2) evidenced by a note or other written agreement which—

(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by the borrower would not, under the applicable law, create a binding obligation, endorsement may be required;

(B) provides for repayment (except as provided in subsection (c)) of the principal amount of the loan in installments over a period of not less than 5 years (unless sooner repaid or unless the student, during the 6 months preceding the start of the repayment period, specifically requests that repayment be made over a shorter period) nor more than 10 years beginning 6 months after the month in which the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, except—

(i) as provided in subparagraph (C);

(ii) that the note or other written instrument may contain such reasonable provisions relating to repayment in the event of default in the payment of interest or in the payment of the cost of insurance premiums, or other default by the borrower, as may be authorized by regulations of the Secretary in effect at the time the loan is made; and

(iii) that the lender and the student, after the student ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, may agree to a repayment schedule which begins earlier, or is of shorter duration, than required by this subparagraph, but in the event a borrower has requested and obtained a repayment period of less than 5 years, the borrower may at any time prior to the total repayment of the loan, have the repayment period extended so that the total repayment period is not less than 5 years;

SUGGESTED AMENDMENT OR SUBSTITUTE

Section 428 (b) (1) (E) is amended by inserting

"(1)" after "(E)" and adding before the semicolon the following:"(ii) except that the lender upon request of a borrower whose total debt under this part exceeds $10,000 shall offer the borrower a graduated repayment schedule. Such schedule may, in accordance with regulations to be prescribed by the Secretary, extend the repayment period for up to 15 years and shall provide for reduced payments for up to the first five years, though such payments shall be sufficient to pay for interest on the unpaid principal balance."

Section 427 (a) (2) (B) (ii) is amended by inserting before the semicolon a comma and the following: "and the Secretary shall require the lender (or the holder of the loan) to notify the borrower not later than 180 days after the lender is notified that the borrower has left the eligible institution of the month in which the repayment period begins."

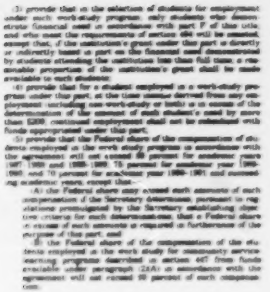
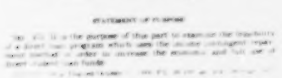
Section 428 (b) (2) (E) is amended by striking out "(E)" and inserting in lieu thereof "(i)"; inserting a semicolon to the end of thereof; and inserting at then end thereof: "(ii) provides that the lender (or the holder of the loan) shall notify the boorower not later than 180 days after the lender is notified that the boorower has left the eligible institution of the month in

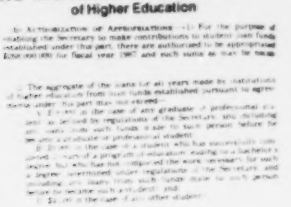
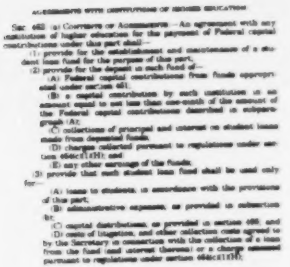
RATIONALE/EXPLANATION

* Lenders should be required to notify the borrower during the repayment period of the **exact** month that the repayment begins. This would help ensure that borrowers know exactly when repayment starts and will not default because of inadequate information dissemination and counseling.

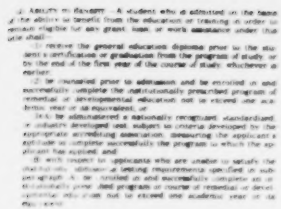
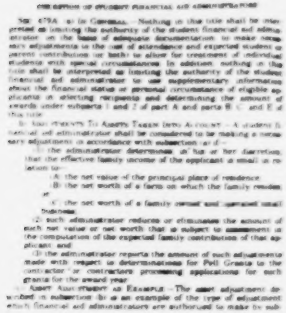
CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
Supplemental Loans for Students and PLUS Loans Section 428A and B	**Elimination of the SLS and PLUS programs**	* USSA believes that the SLS program should be eliminated; it has a high and variable interest rate and difficult repayment schedules (the student must begin repayment within 60 days after the disbursement or if he/she defers payment while in school, the government does NOT subsidize the interest during the deferral). One student took out a $4,000 SLS loan; after she repays it in 9 years, she will have had to repay $8,362. It's crazy that poor people have to pay twice as much for their education! The PLUS programs has the same problems. And unless it becomes subsidized and more manageable in repayment, it too should be eliminated.
SEC. 966. CAPITAL DISBURSEMENT AND ENDORSEMENT REQUIREMENTS. (a) AMENDMENT.—Section 428G(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078-7(b)(1)) is amended to read as follows: "(1) FIRST YEAR STUDENTS.—The first installment of the proceeds of any loan made, insured, or guaranteed under this part that is made to a student borrower who is entering the first year of a program of undergraduate education, and who has not previously obtained a loan under this part, shall not (regardless of the amount of such loan or the duration of the period of enrollment) be processed by the institution to the student for endorsement until 30 days after the borrower begins a course of study, but may be delivered to the eligible institution prior to the end of that 30-day period.".	Section 428G (b) (1) is amended by inserting immediately after "30-day period" the words: "All institutions receiving federal student aid must verify to the Secretary that it will not impose any late fees on, drop from enrollment, or any way penalize students whose student loan has been approved and processed and is being held either by the institution or bank for whatever reason and will arrive after the start of the quarter or semester. The students must be able to enjoy all the rights enjoyed by all other enrolled students, such as library and computer facilities access.	* USSA is opposed to ALL delayed disbursements because they impose great hardship on students who depend on the prompt disbursement of their student loans. Delayed disbursement by the banks or federal mandate is forcing students to postpone starting college or to drop out. As a compromise, USSA is proposing that colleges and universities taking part in the student loan programs in no way penalize students for late loan payments that are not their fault. We hear of students from all over the country who are being charged late fees and denied valid student I.D's, and so on.
	Section 433 is amended by inserting before the semicolon in both subsections (a) (6) and (b) (6) the following: "including an explanation of the availability of deferments and a statement that the borrower should notify the lender of the reasons for any failure to make a payment when it is due."	* Lenders should also be required to notify borrowers before 90 days of a loan being delinquent of the availability of deferments. USSA believes that there is not enough information dissemination about the availability of deferments which means that more students than necessary are forced to go into default.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
[illegible]	Section 428 (b) (1) (H) is deleted.	* It is so unfair to make students pay insurance premiums and origination fees on student loans: it only increases the amount of money they eventually have to borrow. Not only are students being asked to pay application fees and pay for phone calls made to the Federal Student Aid Information Center regarding the status of their Student Aid Report (SAR), they are being charged up to 3% of the loan principal in the form of an insurance premium and up to 5% of the loan principal in the form of origination fees. For example, one student took out a $3,388 loan and had a $60 insurance premium and a $169.40 origination fee taken out; but he will still be expected to repay the entire $3,388 (plus interest of course)! Low-income people should not be taxed in this way.
[illegible]	Section 438 (c) is deleted.	
Part C - Work-Study Programs		
[illegible]	Section 441 (b) is amended by striking out "$650,000,000 for fiscal year 1987" and inserting "$899,000,000 for fiscal year 1992". Section 443 is amended by adding a new section at the end immediately after "by the organization," as follows: "(d) The Secretary will undertake a study on to what extent are institutions are making employment available that 'complement and reinforce the educational program or vocational goals of each student receiving assistance', and are developing 'work study programs involving eligible students in community service.' The Secretary will release the results of the study and recommendations on how to ensure that schools achieve the above no later than September 1992.	* This proposal would raise funding for Work-Study back to 1980 inflation-adjusted levels. A work-Study job is often what stands between a student and another loan. It is also a valuable way for students to gain valuable work- and career-related experience. At many schools these are the only jobs accessible to students. All too often off-campus jobs are not available or are difficult to access. * Unfortunately, too many students are engaged in work-study jobs that are NOT job-, career- or community service-related. Yet schools are suppose to try to make such employment available. The only study on the content of work-study jobs found in the 1970's that 63% of work-study students were employed in clerical positions and in jobs such as security guards, and food service or maintenance workers. Only 16% were engaged in jobs that could be considered academically relevant.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
	Section 443 (b) (3) is amended by inserting before the semi-colon the following: "provided that if the financial need of such less than full-time students exceeds 10 percent of the institution's total financial need, then at least 10 percent of the grant will be made available to such students." Section 443 (b) (5) is amended by striking "will not exceed 80 percent for academic years 1987-88 and 1988-89, 75 percent for academic year 1989-90 and 70 percent for academic year 1990-91" and inserting in lieu thereof the following: "will not exceed 75 percent for academic year 1992-93."	* As with our recommendation with SEOG, this would ensure that if a school bases part of its need on that of part-time students that these students have access to Work-Study funds. * USSA supports a uniform campus match for all three of the programs of 25%.
Part D - Income Contingent Direct Loan Demonstration Project 	Part D be deleted.	* While USSA thinks that the idea of making loan repayments contingent on a student's post-graduation salary has some merit, the current ICL structure has an unsubsidized interest rate penalizes students who take on low-income jobs; they could spend their whole working lives paying off the interest and never touch the principal! Also, since interest accrues during enrollment and the 9-month grace period, this program is very unmanageable for students. USSA would support alternative loan programs that have an interest rate that is progressibely subsidized, and a true grace period.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
Part E - Direct Loans to Students in Institutions of Higher Education 	Section 461 (b) is amended by striking "$268,000,000 in fiscal year 1987" and inserting in lieu thereof "$298,000,000 in fiscal year 1992" Section 464 (a) (2) (A) is amended by striking out $18,000" and inserting in lieu thereof "$67,625" and inserting before the semi-colon the following words "provided however that the yearly limit shall be $9,000. Section 464 (a) (2) (B) is amended by striking our "$9,000" and inserting in lieu thereof "$22,625" by striking out 2"2 years" and inserting in lieu thereof "1 year" and inserting before the semi-colon the following words "provided however that the yearly limit shall be $5,000."	* As the most manageable loan for needy students, the Perkins Loan program should be restored to 1980 inflation-adjusted levels. Continued federal contributions are necessary to help schools that have not participated in the program for that long, particularly community colleges and proprietary schools - build up their Perkins revolving funds. * The maximum Perkins Loan limits should be raised for the reasons given previously.
	Section 463 (a) (2) (B) is amended by striking out "one-ninth" and inserting in lieu thereof "one-fourth"	* USSA supports a uniform campus match for all three of the programs of 25%. This would raise the institutional contribution to Perkins Loans from 10% to 25%.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
Part F - Need Analysis		
(g) STUDENT CONTRIBUTION FROM AVAILABLE INCOME.— (1) IN GENERAL.—The student and spouse contribution from available income is equal to the greater of— (A) a mandatory self-help amount of $700 for a first-year undergraduate student, (B) a mandatory self-help amount of $900 for any other student, or (C) an amount equal to 70 percent of the student's total income determined in accordance with section 480 minus the adjustment to student and spouse income determined in accordance with paragraph (2).	Section 475 (g) (1) (C) is amended by striking out "70 percent" and inserting in lieu thereof "not less than 50 percent"	* The percentage of a dependent student's income which is expected to be contributed to his/her college costs is 70%, an unrealistic expectation that discourages students' working.
STUDENT ASSISTANCE AND OTHER FEDERAL PROGRAMS SEC. 479B. (a) ATTENDANCE COSTS NOT TREATED AS INCOME OR RESOURCES.—The portion of any student financial assistance received under this title, or under Bureau of Indian Affairs student assistance programs, that is made available for attendance costs described in subsection (b) shall not be considered as income or resources in determining eligibility for assistance under any other program funded in whole or in part with Federal funds.	Section 479B is amended by deleting paragraph (b) and by amending paragraph (a) as follows: "(a) No portion of any student financial assistance received under this title (except under Sec. 428B or under Bureau of Indian Affairs student assistance programs) that is made available for attendance costs as defined in either Section 411F or Section 472 shall be considered as income or resources in determining eligibility for assistance under any other program funded in whole or in part with federal funds."	* Federal need-based student financial assistance should not count as income when determining other federal welfare benefits such as food stamps. Current law only exempts that part of student aid used for tuition, fees, books, supplies and miscellaneous purposes. This proposal would clarify that other costs of attendance including room and board would not be considered income when determining other federal income support programs.
	Section 480 (b) (2) and 480 (c) (2) are repealed	* This would eliminate the inclusion of AFDC benefits in determining family income when calculating expected family contribution.
	Section 480 (d) is amended as was 411F (5)	* Independent student definition should be changed in the same way we recommend for the Pell Grant needs analysis (see page).
	Section 480 (g) is amended as was 411F (2)	* The double-counting of students' savings should be eliminated in the same say we recommend for the Pell Grant needs analysis (see page).

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
	Section 480 (g) is amended as was 411F (2)	* Home and farm equity should not be included in the needs analysis of moderate income families in the same way we recommend for the Pell Grant needs analysis (see page).
	Section 483 (a) is amended as was 411 (d)	* Students with proven need (i.e from families receiving AFDC) should automatically be considered as having zero family contribution, and those receiving aid should have a simplified updating process if their financial circumstances have changed very little (this is same recommendation we have for the Pell grant needs analysis).
	Section 484 (d) is amended as in H.R. 907 (Miller)	* While we appreciate Congress' clarification that only **Ability-to-Benefit Students** applying for federal financial aid must pass an independently administered test, USSA believes that institutions need greater flexibility in determining a student's ability-to-benefit.
	Section 479A is amended by adding at the end thereof the following: "(b) If the projected income of a dependent student's parents or the income of an independent student for this calendar year for which any award is received under this title, decreases by 10 percent or more below the level of such income for the preceeding calendar year, the financial aid administrator is authorized to make necessary adjustments to such student's expected fmaily contribution."	* It is a huge problem that a student's **"base"** (or previous) year's income is used to determine his/her **"estimated"** income for the next award year and thus their contribution to college costs. However, such a policy erroneously presumes that students' incomes do not fluctuate, and will not change once they enter college. A 1989 survey found that among independent and dependent graduate and undergraduate students a difference between their base-year and estimated-year incomes ranging from -45% to -26%.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
	One simplified free application form for all the different types of aid should be developed.	* One simplified free application form for all types of student aid should be developed. The system is far too complicated; application fees are unfair and severe; and the system acts a barrier to access.
	Add a new section in Title IV that is found in S. 501 (Kohl) and H.R. 1524 (Sawyer) the **Student Counseling and Assistance Network Act**, and its three components: (1) training of high school counselors in early intervention efforts to increase students' knowledge of and interest in college and student aid; (2) creating a database of state, federal, institutional, and private aid; and (3) undertaking of a national public advertising campaign on federal financial aid.	* As the ten students testified on March 18, 1991, there is just NOT adequate knowledge of the reality of college, financing options, etc., especially compared to the public's high awareness of the military as a way to finance college. These three components are equally vital. Early intervention efforts that do not include a widespread publicity campaign on financial aid will shortchange the increasing numbers of nontraditional students as well as the large number of adults who are potential college students. After all, our country will need to retrain many workers to meet the challenges of the next decade and beyond.
"(F) Statistics concerning the occurrence on campus, during the most recent school year, and during the 2 preceding school years for which data are available, of the following criminal offenses reported to campus security authorities or local police agencies— *"(i) murder;* *"(ii) rape;* *"(iii) robbery;* *"(iv) aggravated assault;* *"(v) burglary; and* *"(vi) motor vehicle theft.*	Incorporation of S. 15 (Biden) and H.R. 1502 (Boxer) the **Violence Against Women Act**	* This Act would provide grants to colleges and universities to improve rape education and prevention, victim support services, etc., and amend the **"Student-Right-to-Know and the Campus Security Act"** so that campuses must report rape AND sexual assault, rather than just rape. This will ensure more consistency among campuses and a more accurate picture of sexual assault on campus.
	Incorporation of S. 48 (Simon) and H.R. 2590 (Gunderson) affirming the legality of **Minority Scholarships**	* The legality and necessity of minority scholarships (note the declining enrollment and graduation of people of color) have been well-established.

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
	USSA endorses the recommendations of the Council of Graduate Schools regarding Title IX - Graduate Programs.	* With our workforce needs and the challenges we face in educating our country, we need vigorous graduate assistance. Each of the fellowship programs should have authorized funding levels of $50 million and Part A should have a $25 million funding level. These are the only federal programs - along with limited Work-Study - for the recruitment and retention of graduate students.

The CHAIRMAN. Thank you very much for your comments and for the written testimony.

I think in any variation or change in the formula, we have to be sensitive about who we are helping and who will have their belt tightened. We understand that we are not really—at least as far as I am concerned, and I think I speak for most of the members of the committee—meeting the Nation's responsibility in allocating the necessary resources to higher education, and I think there will be strong support for moving us back toward the more equitable grant-loan balance we had before.

Hopefully, we'll be able to move additional resources incrementally—although not as fast as I think any of us would like—over a period of time. Certainly there is going to be a major effort in that direction as we debate higher education on the floor of the Senate.

With this change in the formula, what can you tell us about who are going to be the winners and losers and what the implications are going to be in terms of general educational policies?

It seems to me to make a good deal of sense, targeting resources in areas of greatest need, to open up additional opportunities for middle-income students. In my part of the country, for instance, with the healthy and robust economy we had in the early part of the 1980's, middle-income students were virtually excluded from financial aid programs because of the increased valuation of their homes.

But just generally what can you tell us about the winners and losers? How are they going to be able to deal with these alterations, and how sensitive should we be to those changes and alterations? Do you think it will have any impact on the default rate in the student loan program?

We take steps around here to do the best we can, but then we have unintended fallouts, which sometimes we respond to, but frequently are not able to.

Can you help us and anticipate a little bit?

Mr. ATWELL. Yes, if I may, Senator, it seems to me that there are mostly winners out of your bill. The middle-income ranges would be extended up as high as $44,000 for eligibility, whereas now the cut-off is somewhere in the $32-$35,000 range. At the same time, that gives you tuition sensitivity, it is a gesture in the direction of the middle-income people, and with respect to the neediest of the needy, who are really discriminated against by the 60 percent of cost limitation, they come out much better.

As for the default situation that you just mentioned, I think anything you can do to redress the grant-loan imbalance and stop making loans in the initial year to people who are academically very high risk will be a great step forward. And I think if you raise this Pell Grant maximum to the $4,500 under the formula that we have just been describing, yes, I think you'll make some progress on the default problem.

The CHAIRMAN. Ms. Roemer?

Ms. ROEMER. If you looked at methodology in terms of what is happening with S. 1137, for example, a lot of that still needs extensive research and some time. But I know that one of the things that we hoped to accomplish as a committee and as financial aid administrators was to see some of the dependent students who had

lost some of the eligibility under Congressional methodology again be allowed some additional eligibility.

I speak particularly for the low-income dependent student whose parents make a very small portion of the income for the family, and the student works outside and earns income. That person has seen a real drastic reduction in the last 5 years, and we'd like to see some of that restored.

There is also the potential to lose some additional eligibility for funds for the married student who has no dependents. But it is my own personal belief that a student who is married and has no children has better resources to help meet needs than a two-person family where the other member of the family is a 6 year-old child. So if we are doing something to change there, that might be something that at this point needs to happen.

We have proposed that the valuation of home equity be capped at three times the amount of family income. Is that about where we ought to be, and what are the considerations in that formula? In other words, if we open up greater eligibility for this program in terms of homeowners, who are we squeezing out? My part of the country is basically a blue-collar, working-class State, although we obviously have other more affluent areas—and we are also one of the hardest-pressed in terms of economic realities, if we increase eligibility for homeowners are we squeezing some other people out?

I don't think so in that particular framework. As a matter of fact, I think you are opening it up to the very people that you really want to open it up to. I live in a State where you can't even borrow against your home mortgage for anything other than to do tile work in your kitchen. Your cannot borrow for your kids' education. You can only do it for home improvements.

Again, as long as you also leave that professional judgment for the financial aid administrator to do something about home equity as a last resort, if that's the case, if the cap doesn't work, I really believe the cap begins to address that; I really do.

The CHAIRMAN. Thank you.

Senator Simon.

Senator SIMON. First I apologize for getting here late, Mr. Chairman. I had another meeting.

Let me first of all commend you, Bob Atwell, for your leadership in this whole field, and thank all three of the witnesses.

Let me just comment that the GI Bill after World War II, if you were to index it, today that would be over $8,000 a year. What kind of progress are we making?

The second interesting thing is that there was no means test on the GI Bill. Now, I suppose there were a few millionaires who took advantage of it—but think of all the paper work we saved, and we made opportunity available. What we thought of as a "gift" to veterans turned out to be a massive investment in our own prosperity.

I think we can learn from history, and we ought to be doing much, much better. At least Dr. Atwell has heard me talk before, and Senator Kennedy has——

The CHAIRMAN. We're always glad to hear you.

Senator SIMON. I think we have to do more than just tinker at the edges this time in the reauthorization. We ought to dream, and we ought to do something really powerful and constructive for this

Nation. To do that I think is going to mean we have to tackle the revenue side of it, and that is something the higher education community has not been accustomed to doing, and it means, Bob Atwell, your constituents are going to have to do something; Claire Roemer, you're going to have to get your colleagues; and Theodore Cheng, you're going to have to get all those students organized, not just for the receipt of the funds but for the revenue to pay for it. I think that's the political reality we face in 1991.

Mr. ATWELL. As you know, Senator, I completely agree with you that we in higher education have got to be willing to talk about the revenue side of the budget, and we haven't been up until now, so I appreciate your pushing us in that direction.

I might observe that I myself went through graduate school on the GI Bill, and I agree with you it was simple, and it was one of the best pieces of education legislation ever passed in this country.

Senator SIMON. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you all very much. We'll be looking forward to drawing on your experience, and we appreciate very much your comments today. We'll call our next panel. Mr. Virgil Ecton is acting president and chief executive officer of United Negro College Fund. He has been a teacher and a school administrator.

Dr. Judith Liebman is vice chancellor for research and dean of the graduate college at the University of Illinois.

And Rafael Magallan is the executive director of the Hispanic Association of Colleges and Universities and past director of the Tomas Rivera Center in Claremont, CA.

Mr. Ecton, would you care to start off, please?

STATEMENTS OF VIRGIL E. ECTON, ACTING PRESIDENT, UNITED NEGRO COLLEGE FUND, WASHINGTON, DC; JUDITH S. LIEBMAN, VICE CHANCELLOR FOR RESEARCH AND DEAN OF THE GRADUATE COLLEGE, UNIVERSITY OF ILLINOIS, URBANA-CHAMPAIGN, IL; AND RAFAEL MAGALLAN, EXECUTIVE DIRECTOR, HISPANIC ASSOCIATION OF COLLEGES AND UNIVERSITIES, WASHINGTON, DC

Mr. ECTON. Mr. Chairman and members of the Subcommittee on Education, Arts and Humanities, I am here representing the United Negro College Fund. The United Negro College Fund was founded in 1944 by Dr. Frederick Patterson, and it was founded for the purpose of raising general operating funds for its member institutions.

Currently, there are 41 historically black colleges and universities which make up our membership. We currently enroll some 50,000 young men and women, and they come from 48 States, 30 countries and U.S. Possessions.

I am speaking on behalf of our 41 member presidents and their 50,000 students, faculty and staff who are dedicated to academic excellence, and of course, access to higher education and, of course, helping the Federal government to achieve its goal of equal opportunity in higher education.

Each year, approximately 75 percent of the youngsters coming out of UNCF institutions go on to graduate schools, and 55 percent

of them achieve advanced degrees, which is the subject of this hearing.

Loan indebtedness not only deters many qualified minority students from considering pursuit of a graduate degree, but also discourages them from entering the collegiate professorate. Although UNCF is primarily made up of liberal arts institutions, one of our member institutions, Clark Atlanta University, was the first and for many years the only, black graduate Ph.D. degree-granting institution. We can assure you that financing a Ph.D. after accumulating more than $10,000 in loans as an undergraduate represents a real challenge.

We are pleased, then, to provide UNCF's views on your bill, Mr. Chairman, and on the need for Congress to act aggressively to enhance fellowship opportunities for minorities and women in higher education. UNCF is enthusiastic about your inclusion of many of our recommendations in your draft bill amending Title IX.

We believe minor modification in the National Consortium for Educational Access program will achieve what we believe is a shared objective. UNCF has modified Dr. Leroy Ervin's program, and we recommend it to you for inclusion in the Senate's Higher Education Act reauthorization bill.

The proposed Augustus F. Hawkins Fellowship program would include the following basic elements: 1) a $15,000 Federal fellowship for current HBCU, tribally-controlled Indian community college faculty or minority faculty at other institutions with significant minority student enrollment, and minority baccalaureate degree holders who are African American, Asian American, Hispanic American, Native Americans or subgroups thereof; 2) a required waiver of graduate tuition by the receiving institution, except in special circumstances, coupled with the provision of an assistantship by the institution; 3) the provision by the receiving institution of a minimum $6,000 stipend to the Hawkins Fellow from private, noninstitutional sources, and 4) a requirement that the Hawkins Fellow teach at his or her host institution after receiving the degree, for at least 2 years for each year of fellowship assistance received.

Your bill incorporates the Hawkins Fellowship idea without naming the fellowship after Congressman Hawkins, which UNCF believes is essential to increasing the number of minority instructors at our Nation's colleges and universities—not just African Americans at HBCUs, but also Asian Americans, Hispanic Americans or Latinos, and Native Americans—in order to improve learning and retention through graduation and create more diversity and understanding among students and faculty.

Before concluding, I do want to call your attention to one serious flaw in the Title IX draft bill which we hope you will consider changing prior to its introduction.

Your bill would segregate in section 971(b) of the Higher Education Act those institutions which offer master's degree programs from those offering Ph.D. degrees. UNCF is very much opposed to this division and feels that it is unnecessary and potentially would have a negative impact on graduate programs. Since most of the HBCUs with graduate programs offer only a master's degree program, and these institutions have the overwhelming majority of Af-

rican American graduate students enrolled, they would be forced to compete with each other for no apparent reason.

Under the current way the program operates, all proposals compete on the basis of merit for Title IX awards. We see no reason to change the current system. The current process based on the merit of the proposals submitted is no justifiable reason for changing the program. We feel that it should remain as is. There is again no reason to change it.

The CHAIRMAN. Excuse me. Just on this point, you understood why it was recommended—to try to give some additional incentive and attention to the masters degree program because that program doesn't attract the interest that the doctorate program does. As I understand, in the HBCUs, there are a limited number of master's programs, so you'd probably have fewer students who would be interested in this kind of program.

Am I understanding the dynamics of this whole situation?

Mr. ECTON. Yes. We do have fewer students who would be in the pipeline.

The CHAIRMAN. I see. I just wanted to understand.

Mr. ECTON. Let me conclude, Mr. Chairman, with three summary recommendations.

First, merge the current Title IX, Part A program with the Ronald McNair Post-Baccalaureate Achievement Program in Title IV, Section 417(d), and create the Augustus F. Hawkins Fellowship program for minority students who seek to enter the higher education professorate.

Second, increase the award level for Patricia Roberts Harris Fellows from the current $10,000 to a minimum of $15,000, while maintaining or expanding the current number of awards.

And third, give consideration to merging or eliminating several of the remaining Federal fellowship programs in Title IX.

In concluding, I do want to express thanks on behalf of UNCF to the Senators' staff who worked with UNCF and accepted the recommendations that we offered. At this point you do have my written testimony, and if there are any questions I would be happy to respond to them.

[The prepared statement of Mr. Ecton follows:]

PREPARED STATEMENT OF VIRGIL ECTON

Good morning Mr. Chairman, members of the Subcommittee on Education, Art and Humanities. I am Virgil E. Ecton, acting president of the United Negro College Fund. The United Negro College Fund (UNCF) was founded in 1944 by Dr. Frederick D. Patterson as a fundraising organization designed to make a common plea to foundations, corporations and the American public to support a group of private, historically Black colleges and universities. UNCF is now made up of 41 such institutions enrolling 49,397 student from 48 states—including 1,504 from 30 foreign countries and 339 from U.S. Possessions and territories.

I appear today on behalf of the United Negro College Fund, its 41 member presidents, almost 50,000 students and our distinguished faculty and staff who are dedicated to academic excellence, access and success in higher education, and to assisting the Federal government carry out its goal of equal opportunity in higher education.

UNCF member institutions have taken seriously, over the years, the Federal government's stated commitment to equal opportunity in higher education and we have provided "access," "choice," and "quality" to baccalaureate-degree seeking young people with the interest, desire, and academic potential to succeed in college. Sixty-one percent of all UNCF students receive Pell Grants, 33 percent receive supple-

mental educational opportunity grants (SEOGs), 37 percent receive college work study (CWS), and 51 percent receive Stafford (Guaranteed Student) Loans, with most of them receiving multiple forms of Federal student aid as well as institutional support and state grant assistance. Altogether, 90 percent of UNCF students receive Federal student aid. This Federal aid has spurred enrollments among traditional college age African American students. During the past 4 years, 31 of our 41 member institutions have experienced enrollment gains averaging 16 percent—and the same number report 2 percent increases for FY 1989 over FY 1988.

It is the 51 percent figure—the dramatic growth in student borrowing—that makes the subject of today's hearing so critical. UNCF presidents view with alarm and trepidation, the fact that the number of student borrowers in the GSL program at UNCF institutions has almost *doubled* from 11,000 in 1982-83 to almost 22,000 in 1988-89. Increasingly, UNCF students—like many other low and middle income students throughout higher education—are becoming deeping indebted in the process of acquiring a baccalaureate degree—due to the Federal government's failure to keep faith with our national commitment to equal opportunity. Since Dwight D. Eisenhower, first articulated the Federal commitment in 1957, every president except Ronald Reagan, has worked with Congress to preserve and enhance "access" and some measure of "choice" in higher education.

The burgeoning loan indebtedness that concerns UNCF not only adversely affects access to college and college persistence, but also to career choice. It is this adverse impact on career choice that links the need for a Pell Grant entitlement—and less reliance on student borrowing to finance a baccalaureate degree—to the subject matter of today's hearing I wish to address—graduate education.

Loan indebtedness not only deters many qualified minority students from considering pursuit of a graduate degree, but also discourages them from entering the collegiate professorate. Although UNCF is primarily made up of liberal arts degree institutions—one of our member institutions, Clark Atlanta University was the first (and for many years the only) Black graduate Ph.D. degree-granting institution—we can assure you that financing a Ph.D., after accumulating more than $10,000 in loans as an undergraduate, represents a real challenge!

We are pleased then to provide UNCF's views on your bill, Mr. Chairman and on the need for Congress to act aggressively to enhance fellowship opportunities for minorities and women in higher education. UNCF is enthusiastic about your inclusion of many of our recommendations in your draft bill amending Title IX.

Blacks in Graduate School—A Pipeline Perspective

According to the most recent data, African Americans made little progress in increasing their degree awards between 1987 and 1989. A marginal gain of 2.6 percent in baccalaureate degree awards was their largest increase during this 2-year period, followed by a 1.5 percent rise in master's degrees. Although small, these gains are the first increases African Americans have experienced in degree awards at the bachelor's and master's levels since the late 1970s. However, these gains did not offset the degree losses the group suffered during the 1980s. The total number of bachelor's and master's degrees African Americans received in 1989 remained far below corresponding figures for 1981. African Americans were successful only in stopping the downward slide in degrees awarded at these levels.

As with college enrollment trends in general, African American women made more progress in degree awards than African American men. During this 2-year period, African American women made a moderate gain of 4.7 percent in bachelor's degrees and a slight gain of 1.8 percent in master's degrees. The number of baccalaureate and master's degrees African American men received remained approximately the same in 1987 and 1989. Similarly, at the associate level, African American men did not fare well. They netted an 8.1 percent loss in associate degrees, compared with no change for African American women. Because of losses sustained by African American men, African Americans experienced a 3 percent decline in associate awards overall.

After more than a decade of progress in first-professional awards, African Americans fell 9.3 percent in the number they received at this level. Both African American men and women suffered losses. In 1989, African American men received in 12.4 percent fewer first-professional degrees than in 1987, while African American women experienced a 5.8 percent decline.

Based on 1989 data from the National Research Council, little change took place in the total number of doctorates awarded to African Americans in 1988 (805) and 1989 (811). Because of a continuous decline from the late 1970s through the 1980s, the number of doctorates received by African Americans in 1989 remained small compard with their awards during the mid-1970s. From 1988 to 1989, African Ameri-

can women dropped slightly in doctorates from 494 to 488. This compared with a 3.9 percent gain for African American men.

From 1988 to 1989, African Americans increased the number of doctorates they received in physical science, engineering, life science, social science, and education. Despite these gains, they remain tremendously underrepresented in the sciences and engineering. They experienced their largest decrease in professional/other fields—30.8 percent, or 24 fewer degrees. In the humanities, African Americans received 6.5 percent fewer degrees, continuing their downward slide in this area.[1]

The Patricia Roberts Harris Program can help solve the shortage problem. In FY 1989, Harris fellowships were awarded to 1,007 students at 183 participating institutions, which actually represented a decline the number of participating fellows from a peak of 1,400 in FY 1986. This decline is due, in part, to a mandated increase in the fellowship award level and the absence of sufficient funding to support that increase. In this reauthorization UNCF supports legislative language providing for an increase in the fellowship to $15,000, without reducing the number of awards.

Minorities in the Professorate

I believe that it is fair to say that Academe's attempts to date to recruit, employ, and retain minority faculty—especially African and Hispanic Americans—is a dismal failure. Even worse, when viewed from one perspective, is the higher education community's almost smug acceptance of the status quo, i.e. they appear "satisfied" with the progress made in affirmative efforts to employ and retain minority faculty.[2]

The facts, however, speak for themselves:

	1983	1985	1987
Black	19,957	19,227	18,973
Black	8,311	7,704	7,506

According then to the most recent data from the Equal Employment Opportunity Commission—information based on what the institutions, themselve, report to the Federal Government—the numbers of African Americans and Hispanic Americans in the professorate are *declining*, while America debates about "quotas" and whether or not Blacks and Latinos are replacing Whites in the work place.

I would acknowledge that there is an "availability pool" problem and our proposal to you today acknowledges that simple fact. That availability pool can be and will be enhanced significantly through Congress' enactment of the Augustus F. Hawkins Fellowship Program. This would represent, in our view, the last link in the chain (coupled with the Patricia Roberts Harris Fellowship) designed to move minorities into college and through the doctorate degree. Hawkings fellows have the additional advantage of then returning to the campus and influencing other minority students to both succeed *and* to enter the teaching profession or the higher education professorate.

You may ask why it is important to have minorities in the higher education professorate, as well as in important administrative positions. A great deal of research has been done, in particular, on the important issues contributing to the success of Black students in Black versus White colleges and universities. Jacqueline Flemming, in her seminal work *Blacks in College* has contributed immensely to our understanding of why Blacks succeed and persist in historically Black versus traditionally White institutions of higher education. In the past, we have surmised that in spite of fewer resources Black institutions, as institutions, were responsible for the academic success of Black and other minority students. *Blacks in College* sheds additional light on the reasons for students success in these environments. In fact, what

[1] MINORITIES IN HIGHER EDUCATION, Ninth Annual Status Report, 1990, American Council on Higher Education, Reginald E. Wilson and Deborah J. Carter, p. 9 (January 1991) and "Higher Education Faculty Satisfied With Affirmative Action," *Black Issues in Higher Education*, Vol. 6, No. 19 (December 7, 1990).

[2] AFFIRMATIVE RHETORIC, NEGATIVE ACTION: African American and Hispanic Faculty At Predominantly White Institutions, Report No. 2, School of Education and Human Development, George Washington University, 1989; see also FACULTY EMPLOYMENT INFORMATION from the Equal Employment Opportunity Commission (EEOC) Race and Sex Employment Data.

we have learned is that the ability of faculty and staff of the same race or national origin as the minority student contribute to creating the proper academic environment which leads to academic support, student persistence and educational excellence.

Two other graduate-oriented programs in the higher education act are of particular interest to UNCF. The Patricia Roberts Harris Fellowship Program and the Ronald C. McNair Post-Baccalaureate Achievement Program (section of Title IV), are of critical importance if the Federal government is to assist in expanding the numbers of Black Americans and other minorities obtaining terminal degrees and entering the professions. In addition, providing top quality Black faculty at HBCUs and at majority institutions depends upon our ability to create more fellowships for minorities to enter and complete graduate school.

UNCF believes that the best method for increasing the number of African Americans with Ph.D.'s is to both create a larger pool in undergraduate colleges and universities, and increase Federal support for doctoral study. On that latter point, it is education over the last 20 years paralleled by a decline in the number of doctorates earned by U.S. citizens for more than a decade. In 1969, for example the Federal government funded 60,000 fellowships and traineeships; while today it funds about 12,000. In 1972, 83 percent of all doctorates awarded by American universities were received by U.S. citizens; but by 1987, the percentage had declined to less than 71 percent.

The Patricia Roberts Harris Program can help solve the shortage problem. In FY 1989, Harris Fellowships were awarded to 1,007 students at 183 participating institutions, which actually represents a decline in the number of participating fellows from a peak of 1,400 in FY 1986. This decline is due, in part, to a mandated increase in the fellowship award level and the absence of sufficient funding to support that increase.

Solving the Minority Professorate Puzzle

As Congress and the Nation seek to expand educational opportunity at the undergraduate level and to desegregate and diversify majority institutions, there will be an increasing need to employ and promote African Americans as part of the professorate and in higher education. Since there is already a shortage of Black Ph.D.'s, I want to recommend the Federal government inaugurate a new program to produce more Ph.D.'s to enter the professorate. We support the Bush Administration's efforts to merge the Title IX, Part A Program with the Ronald C. McNair Post-Baccalaureate Achievement Program in Title IV. In its place, the Congress should authorize a program of Augustus F. Hawkings Fellowships, in honor of former House Education and Labor Committee Chair Augustus F. Hawkins. Hawkins Fellowships would be awarded to HBCU faculty and other African, Asian, Hispanic and Native American Ph.D. candidates who agree to return to their host institutions or any other associate or baccalaureate degree granting institution—with a significant minority enrollment—to teach for 2 years for each one year of fellowship assistance received.

We believe a minor modification in the National Consortium for Educational Access, Inc. Program will achieve what we believe is a shared objective. UNCF has modified Dr. Leroy Ervin's program (see enclosed draft bill) and we recommend it to you for inclusion in the Senate's Higher Education Act Reauthorization Bill. The proposed Augustus F. Hawkins Fellowship Programs would include the following basic elements: (1) A $15,000 Federal fellowship for current HBCU, tribally-controlled Indian Community College faculty, or minority faculty at other institutions with significant minority student enrollments, and minority baccalaureate degree holders who are African American, Asian American (Chinese, Japanese, Korean, etc.), Hispanic American (Mexican American, Cuban American, Puerto Rican), native American (American Indians, Aleuts, native Alaskan, native Hawaiian); (2) a required waiver of graduate tuition by the receiving institution (except in special circumstances) coupled with the provision of an assistantship by the institutions; (3) The provision by the receiving institution of a minimum $6,000 stipend to the Hawkins Fellow from private, non-institutional sources; and (4) a requirement that the Hawkins Fellow teach at his/her "HOST" institution after receiving the degree for at least two years for each year of fellowship assistance received.

Your bill incorporates the Hawkins Fellowship idea, without naming the fellowship after Congressman Hawkins, which UNCF believes is essential to increasing the numbers of minority instructors at the Nation's colleges and universities—not just African Americans at HBCUs, but also Asian Americans, Hispanic Americans or Latinos and native Americans—in order to improve learning and retention

through graduation and create more diversity and understanding among students and faculty.

UNCF is pleased with the cooperation we have received from your staff in working with our staff to ensure the incorporation of these ideas in your draft bill. We look forward to working with you and other members of the Committee to implement other UNCF proposals which will expand educational opportunities for African American and other minority students in higher education.

Before concluding, I do want to call your attention to one serious flaw in the Title IX draft bill, which we hope you will consider changing prior to its introduction. Your bill would segregate in section 971(b) of the Higher Education Act—those institutions which offer master's degrees from those offering the Ph.D. UNCF is very much opposed to this division as very unnecessary and potentially having a negative impact on historically Black colleges and universities with graduate programs. Since most of the HBCUs with graduate programs offer only a master's degree program—and these institutions have the overwhelming majority of African American graduate students enrolled—they would be forced to compete with each other for no apparent reason. Under the current way the program operates, all proposals compete on the basis of *merit* for Title IX awards. We see no reason to change the current system. The current process, based on the merit of the proposals submitted and "pipeline" factors, appears to be working very well. There is no justifiable need to have arbitrary limits placed, by type of degree program, on a program designed to bring minorities and women earning postgraduate degrees. The mechanisms that promise to achieve the Federal goals most efficiently and effectively ought to be granted Federal funds. The Patricia Roberts Harris Program isn't broke, and does not need fixing! It most particularly does not need this type of fix.

Let me conclude, Mr. Chairman, with three recommendations:

- Merge the current Title IX, Part A Program with the Ronald McNair Post-Baccalaureate Achievement Program in Title IV, Section 417D(d), create the Augustus F. Hawkins Fellowship Program for minority students who seek to enter the higher education professorate;
- Increase the award-level for Patricia Roberts Harris Fellows from the current $10,000 to a minimum of $15,000, while maintaining or expanding the current number of awards; and
- Give consideration to merging or eliminating several of the remaining Federal Fellowship Programs in Title IX (UNCF believes that the Javits Fellowships could easily be merged with the national needs Fellowship Program and a portion of the national needs fellowships reserved for those seeking degrees in the humanities areas.

I would be pleased to answer any questions you may have.

Senator SIMON. [Presiding.] Thank you very much.

We are pleased to have Judith Liebman here—and meaning no disrespect to the other witnesses, she is a particularly stellar witness because she comes from the State of Illinois. So we are very pleased to have you with us here.

Ms. LIEBMAN. Thank you very much.

As the graduate dean, I am very pleased to provide testimony on the Department of Education programs supporting graduate education.

I have submitted written testimony, and I wish to highlight briefly, in about five minutes, that testimony.

I'd like to begin with some general comments of support for the proposed Kennedy bill. I commend the proposed strengthening of Title IX, particularly the rejection of the administration's proposal to consolidate all graduate fellowship and traineeship programs into a single program.

It is very important to maintain the separate programs. They serve different purposes, different students, different populations, and different academic disciplines.

I also support the reconfiguration of the Patricia Roberts Harris Fellowships into two equally-funded components. I particularly support the provision to require supervised teaching experience as

part of the Ph.D. component that extends an important opportunity for faculty mentoring.

I believe that the Harris master's/professional component is strengthened by removing it from competition for doctoral student support. However, to be effective, I think the awards in that program ought to be made on the principal criterion that there is demonstrated institutional success for student enrollment, graduation rates and placements. And I think a broad range of institutions are going to be competitive in that program.

In the National Needs Program, again, I support the addition of the supervised teaching experience—faculty mentoring is essential for good graduate education.

On the Javits Program, I personally believe it needs about a 25 percent authorized expansion in the near term to provide for forecasted rates for faculty vacancies in the arts, humanities and social sciences.

The Kennedy bill proposes a new program. I support this proposal to create traineeship grants for doctoral study which are targeted at talented minority college graduates and minority college and non-Ph.D. faculty.

However, I am concerned that priority is proposed for programs that generate substantial financial support from sources other than Federal or institutional. If corporate support is expected, I think there will be disappointment. By and large, corporations don't want to invest in students planning to enter academe rather than the corporate suite.

My final comments are on the proposed consolidation of the Title IX early identification programs and the McNair Program. The University of Illinois along with universities across the country have been actively and successfully encouraging minority students to enter graduate school. One of the most successful programs to date nationwide is a summer research opportunities program for minority students, run by the CIC institutions—that set of institutions includes the "Big 10" plus the University of Chicago. This program is run out of the graduate deans' offices. It is targeted at underrepresented minority students who have demonstrated academic potential. It involves 8 weeks in the summer where the students do research with faculty mentors, and concludes with a regional conference at which the students present paper.

In 1986, before Title IX funding, there were 99 students in this program, 10 on our campus. This year, there are 644 students in this program, 89 on our campus, which has the largest campus participation. And 18 of our 89 students are supported by Title IX.

Title IX enabled us to do a 25 percent expansion in our program. That is good leveraging for Federal dollars.

The most important part of this program is the extraordinary rate of faculty participation. At our campus this summer, there are about 80 faculty members for the 89 students.

The program has an outstanding success record. Of the 438 students who have participated in this program and who have completed their undergraduate degree, at least 36 percent have already entered graduate school and another 20 percent entered professional school.

Nationwide, the Title IX-A early identification programs have been extremely successful, in large part due to being administered through graduate divisions. Active faculty participation has been key in helping students decide to enter graduate study and then to decide to pursue academic careers.

At Illinois, we have both the McNair program and the Title IX program. They have served overlapping but different pools of students and have both been good programs with different emphases. We need them both. Combining those programs risks losing the particular characteristics that make them each so successful.

In closing, I think universities realize it is not just the responsibility of the Federal Government to encourage and support more students, both majority and minority, to seek doctorates and go on into academe. The climate for doctoral education on our campuses can be improved and will be improved. The American Association of Universities put together a task force to consider how institutional policies supporting doctoral education can be improved. I was on that task force. The final report has been approved by the AAU president and its recommendations are already impacting our campuses. If appropriate, I request that this report be submitted for the record, along with my written testimony.

Thank you very much for this opportunity to testify. I thank you for your support of graduate education, and I will be happy to answer questions.

Senator SIMON. Thank you, very, very much.

[The prepared statement of Ms. Liebman follows:]

PREPARED STATEMENT OF JUDITH S. LIEBMAN

REAUTHORIZATION OF THE HIGHER EDUCATION ACT: RECOMMENDATIONS FOR GRADUATE EDUCATION

Mr. Chairman and Members of the Labor and Human Resources Committee, I am Judith Liebman, Vice Chancellor for Research and Dean of the Graduate College at the University of Illinois, Urbana-Champaign. I am pleased to have this opportunity to testify on the Department of Education programs supporting graduate education as you consider the reauthorization of the Higher Education Act.

The discovery, dissemination, and application of new knowledge undergird our capacity as a nation to maintain a competitive standing in the international marketplace, to improve the health of our citizens, and to sustain a critical technological edge in our national defense. The preservation and interpretation of knowledge is equally important for our capacity to enrich the quality of our lives by advancing ourselves intellectually and culturally, and increasing our understanding of the rich multicultural global environment of which we are a part. Graduate education develops the human resources upon which these activities depend.

The graduate education conducted in this country continues to be the best in the world. But there are several trends which provide cause for grave concern: (1) the proportion of U.S. citizens earning Ph.D.'s has steadily declined for two decades; (2) the underrepresentation of women and minorities in graduate education persists as a social concern and a practical problem whose economic costs will increase as the dependence of the workforce on these groups increase; and (3) there is clear evidence that projected trends in higher education enrollments, faculty replacements, and industrial and government markets could produce a substantial shortage of Ph.D.'s by the end of the decade.

If we allow these trends in graduate education to continue, they will impair our skilled workforce. We cannot afford to shrink our investments in human resources while our strongest economic competitors are expanding theirs.

The reauthorization of the Higher Education Act provides a timely opportunity for the Administration and Congress to adjust the graduate education programs of the Department of Education to meet future national needs. The higher education community has developed a set of recommendations for reauthorization of the Title

IX graduate programs that strengthen the Department's capacity to achieve two critical objectives: (1) enhance the quality and diversity of college and university faculty through fellowship and traineeship programs leading to the Ph.D. and academic careers, and (2) expand individual opportunity through grant support for students from groups underrepresented in careers requiring masters and professional degrees. These recommendations were presented in testimony before the Senate Labor and Human Resources Subcommittee on Education, Arts, and Humanities by Theodore Ziolkowski, Dean of the Graduate School at Princeton University, at a May 17 hearing.

I strongly endorse these recommendations. They were developed through a series of discussions extending for more than a year by campus administrators with extensive knowledge about graduate education. The community position reflects broad consultation with individuals and organizations representing institutions ranging from research universities to historically black colleges and universities and master's-only institutions.

It is in the context of these recommendations that I would like to comment on the amended version of Title IX to be introduced by Chairman Kennedy. I commend the Senator for introducing legislation that would strengthen Title IX in many respects.

First of all, I am pleased that the bill rejects the Administration's proposal to consolidate all of the Department's graduate fellowship and traineeship programs into a single program. The Administration has argued that such consolidation would substantially reduce the administrative burden placed on both the Department and institutions stemming from the widely varying regulations governing the different programs. It is true that the current programs are plagued with administrative problems. But most of these problems can be eliminated by standardizing rather than consolidating programs; such an approach can eliminate needless differences in program regulations while preserving important variations in the purposes, student populations, and academic disciplines supported by different programs. The Kennedy legislation adopts this approach by preserving separate program identities but standardizing many program procedures.

The Kennedy bill would also improve the Department's administration of the Title IX programs by providing an "excepted hire" authority enabling the Department to draw experienced graduate education administrators from campuses to assist in program administration and by directing the Department to administer its programs in ways compatible with academic practices.

The Kennedy bill includes the community's recommendation to reconfigure the Patricia Roberts Harris Graduate Fellowships and Public Service Fellowships into two equally funded components, one supporting doctoral study and the other supporting masters and professional study. Both program components are strengthened by this reconfiguration. In the Kennedy bill, the Harris Ph.D. component provides an initial 2 years of federal support, followed by at least 2 years of university support including a year of supervised teaching, followed by a year of federal support for dissertation research. These provisions will help students from underrepresented groups develop effective mentoring relationships with faculty, receive balanced training in both teaching and research, and have access to financial support at the final dissertation stage of the doctoral program.

The Harris master's/professional component is strengthened by separating it from the competition for doctoral support. Many institutions which have small or no doctoral programs have strong master's and professional programs. Particularly important are master's programs that provide a stepping stone to doctoral study for many minority students.

I urge the Committee to consider specifying in the legislation that the principal criterion for awarding grants under the Harris master's/professional program be the demonstrated success of academic programs in enrolling underrepresented students in master's and professional programs, graduating them from those programs, and placing them in doctoral programs or professional careers. Many historically black colleges and universities and predominantly master's institutions would compete effectively under such criteria, and the program would reach a broad range of institutions and students.

The Kennedy bill improves the National Need traineeship program, "Graduate Assistance in Areas of National Need," by adding a provision similar to the Harris Ph.D. program requiring institutions receiving National Need funds to provide at least one year of supervised teaching for students supported by the program. The bill also broadens the definition of areas of national need to reflect projected demand for faculty and scientists due to replacement demands and emerging fields, and clarifies that students completing master's programs at a different institution

are eligible for support. These provisions improve what is already a highly effective program, and I strongly support their inclusion in the bill.

The higher education community's graduate education proposal included few recommendations for the Javits program because it is working well as it is. One important recommendation that is not in the Kennedy bill is to expand the size of the program to 600 new fellowships annually, increasing the size of the program to a maximum of 2,400 new and continuing fellowships. That would still leave the Javits program well below the size of the NSF fellowship program in science and engineering but would increase its potential size beyond the limit of 450 fellowships specified in current law. The Javits program is the only federal program that has as its express purpose providing support for graduate study in the arts and the humanities, and is one of the few sources of support for graduate study in the social sciences. According to the projections of Bowen and Sosa, between 1997 and 2002 there will be only eight candidates for every ten faculty vacancies across all arts and sciences disciplines; over that same period, only seven candidates will be available for every ten vacancies in the humanities and social sciences.[1] We need help from an expanded Javits program to prevent these projected shortages by attracting a larger number of high-quality students into graduate study in the arts, humanities, and social sciences.

For the Harris, National Need, and Javits programs, the Kennedy bill makes three changes in financial support which will strengthen these programs:

- the maximum stipend is increased from the current $10,000 to $14,000,
- the institutional allowance is increased from the current $6,000 to $10,000 and provided with subsequent inflationary increases,
- student financial need is assessed according to procedures determined by the institution.

These provisions will help students and institutions meet the rising costs of graduate education. Assessing financial need according to guidelines determined by the institution is the procedure currently employed by the National Need program. By applying that process to all three programs, the Kennedy bill provides an important measure of flexibility which will allow institutions to accommodate differences between undergraduate and graduate education and reduce the program delays imposed by current procedures.

I will close with some comments on Title IX-A of the Kennedy bill, "Grants to Institutions to Strengthen and Diversify the Higher Education Professorate." Part A includes a new program that provides traineeship grants for doctoral study to institutions with "a demonstrated record of enhancing the access of underrepresented minorities to graduate education" to enable those institutions to support talented minority college graduates and non-Ph.D. faculty in doctoral programs. Alter receipt of their Ph.D.'s, the student fellowship recipients would be required to teach at a higher education institution for 2 years for every year of fellowship support; the faculty fellowship recipients would be required to carry out the same two-for-one teaching requirement at an institution with substantial minority enrollment.

As I understand the intent of this program, it is designed both to increase the proportion of faculty at institutions with substantial minority enrollments who hold the Ph.D., and to increase on all campuses the proportion of Ph.D. faculty members who are underrepresented minorities. These are among our most pressing needs in higher education, and I strongly endorse these program objectives.

I do have some questions about the design of the program. The provision of fellowship support for non-Ph.D. faculty seems to me to be a distinct and compelling program purpose that fills a gap in federal programs. Since faculty fellows have already elected an academic career, the post-fellowship teaching requirement would be easy for most fellows to accept. The student component of the program, however, seems to be very similar to the Harris program except for the post-fellowship teaching requirement of the new program. The legislation indicates that the program is intended to support college graduates who have a prior interest in pursuing an academic career. But I am not sure how many students can predict at the beginning of doctoral study what career path they will wish to pursue 5 or more years later when they receive their Ph.D. The approach we have tried to take in our suggestions for the Harris and National Need programs is to encourage students to select an academic career by better preparing them as teachers as well as researchers and, in the process, exposing them to the unique rewards of a faculty career.

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[1] William G. Bowen and Julie Ann Sosa, *Prospects for Faculty in the Arts and Sciences* (Princeton, NJ: Princeton University Press, 1989).

I also question the priority given to applications that generate substantial financial support from sources other than the institution or the federal government. For all practical purposes, that means corporate support. I understand that this program is based on an existing model that includes significant corporate contributions, and the notion of using federal and institutional funds to leverage private funds is attractive. However, I am uncertain how generalizable such a model will be, particularly when the teaching requirement gives corporations little hope of recruiting the Ph.D.'s they support for their own needs.

None of these reservations in any way diminishes my strong support for the central purposes of this new program. As it is refined through the legislative process, it should fill a critical gap in federal support and provide valuable resources to increase the quality and diversity of college and university faculty.

The one strong criticism I have is the process by which this new program is created: it is inserted into Title IX-A in place of rather than in addition to the current Title IX-A program, "Grants to Institutions to Encourage Minority Participation in Graduate Education." We currently have a Title IX-A program at the University of Illinois, and it is one of the most successful programs we have ever seen for identifying talented minority undergraduates and interesting them in and preparing them for graduate study. We accomplish this through carefully planned and closely monitored summer research internships which bring undergraduate students into direct contact with research faculty and graduate students in laboratory settings.

The Administration in its reauthorization proposal calls for merging the Title IX-A program with the TRIO McNair program. The Administration's argument, which this legislation apparently accepts, is that the programs are duplicative. I do not believe that to be the case. We also have a McNair program at Illinois. I believe that we will accomplish more with these two programs operating separately than we could by applying the combined funding to either one.

The Title IX-A program and the TRIO McNair program do have similar objectives: to use an early identification model to increase the number of disadvantaged and underrepresented students who successfully pursue graduate study. But the programs differ both in the students served and in the principal program activities employed. The Title IX-A program is open to all minority students. The McNair program is not limited to minority students but focuses on disadvantaged students: two-thirds of McNair fellowships are reserved for first-generation, low-income students, and one-third may be used for any students from underrepresented groups. The Title IX-A program is used almost exclusively for summer research internships, many of which go to students from undergraduate institutions lacking substantial research programs; the McNair program focuses on counseling and other educational enrichment activities for on-campus students during the academic year.

The Kennedy bill would amend the McNair program to require that some of the projects assisted under McNair provide summer internships coordinated through the graduate divisions of institutions to provide effective linkages with graduate faculty and programs. These amendments would be helpful if the two programs were to be combined, but I am puzzled why Congress would wish to combine two programs that have generated such effective track records as separate, complementary endeavors. Since early identification mechanisms have proven to be so effective in increasing the participation in graduate education of students from underrepresented groups, and since these two programs serve a broader pool of undergraduate students with a wider range of activities than does either program on its own, it is difficult to understand why their impact should be narrowed by eliminating the Title IX program. There is obviously no necessary connection between establishing the important new Part A program introduced in the Kennedy bill and eliminating the current Part A program.

Last year, the Title IX-A program supported 71 summer internship programs with nearly $6 million in funding provided by Congress. I think every one of the 71 program administrators would tell you what I am stating today: that this program is extremely effective in addressing one of our most pressing problems in graduate education. The higher education community worked hard to establish this internship program in the last reauthorization. I earnestly request that you reconsider eliminating it in this reauthorization.

Thank you for this opportunity to testify. On behalf of the organizations and institutions concerned with graduate education, I want to thank the Members of this Committee for all you have done to support a strong graduate education enterprise in this country. With the single, major exception I have just discussed, I think the Kennedy bill does an admirable job of strengthening the Title IX programs and providing the Department of Education with the means to assist our institutions to meet the challenges that confront us in graduate education.

Senator SIMON. Mr. Magallan, we'll be pleased to hear from you now. You are the executive director of the Hispanic Association of Colleges and Universities.

Mr. MAGALLAN. As Chairman Kennedy in his introductory remarks noted, the reauthorization of the Higher Education Act provides us a golden opportunity to address the national resource needs for expanded Hispanic participation in graduate education and in the professorate.

Given the dismal participation levels that he alluded to of Hispanics in graduate education and in the postsecondary education teaching and administrative ranks overall, we are particularly grateful to the committee and to the chairman for introducing Title IX legislation that would improve the situation in many respects.

The amendments proposed and the new initiatives included therein, in our opinion, will significantly augment the Title IX programs.

It is in the context of a strong endorsement of the proposed legislation that we have prepared and submitted a set of recommendations for language changes. I will speak in general to the thrust of what those recommendations are.

HACU shares the belief that the soundest method for increasing the number of Hispanics with Ph.D.'s is fundamentally to enhance the awareness among Hispanic students at earlier stages of their collegiate experiences regarding possible opportunities for Ph.D. study and the career advantages they attain from pursuing a teaching career in the academy.

Only by such targeted interventions can a larger pool at the undergraduate level be created of potential Ph.D. students. In addition, HACU strongly believes that increased Federal support for doctoral study is an essential element for correcting the current shortfall of minority scholars.

In our opinion, the Kennedy bill addresses these considerations. In addition, the Kennedy bill directs the necessary attention to the particular human resource needs of minority-serving institutions—and I have to emphasize that it is critical that that kind of attention be placed on these kinds of institutions.

Increasing the number of minority faculty will have a broad-reaching and sustained effect of providing appropriate role models for undergraduate students moving through the educational stream.

It is more than just a matter of producing a few more Ph.D.'s; it is producing professors that will enhance and promote more minorities going through that proverbial pipeline which is full of leaks for minorities.

So we commend the committee for addressing this pivotal area.

Specifically, like my colleagues, we support the Kennedy bill effort to maintain separate identities for the current graduate fellowship and traineeship programs. We argue such distinctions are critical in allowing for the various variations driven by the needs of discipline considerations, population groups, institutional types, etc., to be attended to.

Current administrative problems, we agree, can be handled through judicious standardizing rather than consolidation.

Strongly endorsed is the bill's reconsideration of the Patricia R. Harris graduate fellowship and public service fellowships into two components. We think it is healthy to have the Ph.D. program distinct and the master's program distinct, and certainly my colleague from Illinois did a good job of underscoring that point.

Likewise supported is the proposal within the Pat Harris Fellowship stipulating 2 years of initial Federal support, followed by a minimum of 2 years' institutional support, followed by a final year of dissertation support. In our opinion, such provisions will greatly enhance the completion rates for Hispanic and other minority students.

We also support the bill's proposed changes in allowed financial support. The bottom line is we have to have the fiscal resource out there in adequate levels, and we certainly think that the language and the recommendations contained in the bill speak to that.

There are two aspects of the legislation that raise some questions.

One issue is the total deletion in the Kennedy bill of the current Title IX-A program, "Grants to Institutions to Encourage Minority Participation in Graduate Education". While we recognize that the administration has called for merging the Title IX-A programs with the Title IV TRIO-McNair effort, we believe that such a consolidation is unnecessary and would eliminate the current successful early identification and orientation projects initiated in recent years through the Title IX program.

The resultant displacement of such existing efforts would appear to go contrary to the overall intentions of the bill. We would encourage the committee's reconsideration of the value of keeping this program within Title IX.

While HACU also supports the proposed new Part A grants, we do have a concern regarding the priority assigned to applications that generate substantial financial support from other than institution or Federal government sources. What this specifically means is unclear to us. If it means, as was suggested by Judith, corporate support, then many HACU-type institutions, being largely underfunded overall and only recently becoming involved with the corporate community, would be unfairly disadvantaged in competing for these grants.

In closing, on behalf of HACU, we reiterate our support for the proposed legislation. We endorse both its intent and the tools it seeks to provide our postsecondary education community to meet our Nation's graduate education challenge.

We thank you for this opportunity to testify.

[The prepared statement of Mr. Magallan follows:]

PREPARED STATEMENT OF RAFAEL MAGALLAN

Mr. Chairman and members of the Committee, on behalf of the Hispanic Association of Colleges and Universities—HACU, I appreciate this opportunity to respond to the proposed initiative to amend Title IX of the Higher Education Act of 1965.

To place my observations in perspective, I think it best to first offer an overview of the Hispanic Association of Colleges and Universities. HACU is a national association of colleges and universities where Hispanic students constitute a minimum of 25 percent of the institutions' overall enrollment. The 112 institutions that currently meet this membership criterion are located in Arizona, California, Colorado, Florida, Illinois, New Jersey, New Mexico, New York, Texas and Puerto Rico. These

"Hispanic-serving institutions" (HSIs), which are 2-year and 4-year, public and private, nonprofit colleges and universities, enroll about 45 percent of all Hispanic postsecondary students in the United States.

HACU seeks to establish working partnerships between the member colleges and universities and corporations, governmental agencies and individuals. The HACU goals are:

1. promoting the development of member colleges and universities;
2. improving access to and the quality of postsecondary educational opportunities for Hispanic students; and
3. meeting the needs of business, industry and government through the development and sharing of resources, information and expertise.

HACU was established as a collaborative effort of institutions of higher education to more effectively address, at the national level, the needs of Hispanic students and those institutions which serve them. However, my comments today address not only the needs of Hispanic students and their institutions, but also those that the public and private sectors have expressed to HACU as being crucial for the nation to remain competitive in a world economy. We simply must produce more scientists, technologists, engineers, teachers, and health professionals as we approach the 21st century.

As was reported in *One-Third of a Nation*, "A decline in educational attainment by any substantial population group is cause for deep concern—especially at a time when technological advances and global competition put a premium on trained intelligence, advanced skills, and a high degree of adaptability."

Demographics

Hispanics have emerged as one of the fastest-growing "population groups" in the nation. It is estimated that between 1980 and 1989 the Hispanic population in the United States increased by 39 percent; during the same period, the non-Hispanic increase was 7.5 percent. The total Hispanic population in 1989 was estimated at about 20 million; however, many who work with Census data argue that Hispanics have been under-counted.

It is important to note that as a population group, Hispanics are younger than their non-Hispanic counterparts. The median age of Hispanics is 25.9 years, while the median age of non-Hispanics is 33.2 years. An important relationship exists between youth, future workforce needs in the nation, and educational opportunities.

Hispanics can be found in almost every region of the U.S.; however, by and large, the major concentrations of Hispanics can be found in nine states and Puerto Rico, the same regions where HACU's member institutions are located. These Hispanic-serving institutions are unique in that most were not founded initially to serve Hispanics. Instead, they became "Hispanic-serving" as a result of changing demographics, immigration and migration patterns, and the availability of federal financial aid. It is important to note also that these institutions share a historical pattern or being seriously undersupported and underfunded. HACU institutions are by and large low-wealth schools.

Graduate Education Issue

The American Council on Education reports that for Hispanics "among adults age 25 and older in 1989 . . . almost half (49.1 percent) . . . had not finished high school, compared with one fifth, or 21.2 percent, of non-Hispanics."

Those Hispanics who graduate from high school continue to have lower rates of college enrollment than White high school graduates at all ages. Hispanic college enrollment has fluctuated over the past 16 years but declined overall.

In 1988, Hispanics enrolled in post-baccalaureate programs numbered 48,000, with 39,000 found in graduate school and another 9,000 in professional school. Hispanics comprised only 2.8 percent of all graduate students in the U.S. in 1988, a drop from the 1986 figure of 3.2 percent.

An alarmingly small number of Hispanic-U.S. citizens earn doctorates. In 1989, the total number of doctorates awarded in the U.S. was 34,319. Of that number, only 569 doctorates (or 1.7 percent) were awarded to Hispanics. These 569 degrees represent 2.5 percent of the doctorates awarded to U.S. citizens that year. While there have been fluctuations in the number of doctoral degrees awarded to Hispanics over the last 8 years, the overall share has not increased substantially, with the actual numbers remaining minuscule. Clearly the dearth of Hispanic Ph.D. recipients has reached a critical level, in terms of Hispanic participation in academia and in research and development in science and technology.

An outcome of such poor post-baccalaureate attainment rates is that Hispanics constitute approximately 1.7 percent of university faculty and about 2.0 percent of full-time postsecondary education administrators.

Addressing the Professoriate Issue

The reauthorization of the Higher Education Act provides a golden opportunity to address the national resource needs for expanded Hispanic representation in graduate education and in the professoriate. Given the noted dismal participation levels of Hispanics in graduate education and in the postsecondary education teaching and administrative ranks overall, we are particularly grateful to the Committee and Chairman Kennedy for introducing Title IX legislation that would improve the situation in many respects. The amendments proposed and the new initiative included therein, in our opinion, will augment the Title IX programs significantly.

It is in the context of a strong endorsement of the proposed legislation that we have prepared a set of recommendations. These suggested language changes are offered with the hope of assisting the Committee in its effort to enhance the quality and diversity of college and university faculty and expression of individual opportunity in graduate education. A copy of the suggestions is appended.

HACU shares the belief that the soundest method for increasing the number of Hispanics with Ph.D.'s is to enhance the awareness among Hispanic students at earlier stages of their collegiate experience regarding opportunities for Ph.D. study and the career advantages that attain from pursuit of a teaching career in academe. Only by such targeted interventions can a larger pool at the undergraduate level be created of potential Ph.D. students. In addition, HACU strongly believes that increased federal support for doctoral study is an essential element for correcting the current shortfall of minority scholars. In our opinion the Kennedy bill addresses these considerations. In addition the Kennedy bill directs the necessary attention to the particular human resource needs of minority serving institutions. Increasing the number of minority faculty will have a broad-reaching and sustained effect of providing appropriate role models for undergraduate students moving through the educational stream.

Specifically we support the Kennedy bill effort to maintain separate identities for the current graduate fellowship and traineeship programs. Such distinctions are critical in allowing the variations of the various needs, purposes, academic disciplines, etc., to be served by different programs, as appropriate. Current administrative problems, we agree, can be handled through judicious standardizing rather than consolidation.

Strongly endorsed is the bill's reconfiguration of the Patricia R. Harris Graduate Fellowships and Public Service Fellowships into the two components: one supporting doctoral study and the other supporting masters and professional study. We believe this strengthens both components. Also supported is the proposal within the P.R. Harris Ph.D. component stipulating two years of initial federal support, followed by a minimum of two years institutional support (including a year of supervised teaching) and then a year of additional federal support for dissertation completion. Such provisions will greatly enhance the completion rates for Hispanic and other minority students.

HACU strongly supports the bill's proposed changes in allowed financial support. Increasing the maximum stipend to $14,000, raising the institutional allowance to $10,000, and providing for subsequent inflationary increases will greatly assist students and institutions to take on the fiscal challenges involved with doctoral study. We offer suggested language that such increased institutional support be used to develop programs and services aimed at enhancing minority student retention and degree attainment.

There are two aspects of the Kennedy legislation that raise some measure of concern.

One issue is the total deletion in the Kennedy bill of the current Title IX-A program, "Grants to Institutions to Encourage Minority Participation in Graduate Education." While we recognize that the Administration has called for merging the Title IX-A program with the Title IV-Trio McNair effort we believe that such a consolidation is uncalled for and would eliminate the current successful early identification and orientation projects initiated in recent years. The resultant displacement of such existing efforts would appear to go contrary to the overall intentions of the bill. We would encourage the Committee's reconsideration of the value of keeping this program within Title IX.

While HACU supports the proposed new Part A Grants, we do have a concern regarding the priority assigned to applications that generate substantial financial support from other than institution or federal government sources. What this specif-

ically means is unclear. If it means corporate support, then many HACU-type institutions, being largely underfunded overall, and only recently becoming involved with the corporate community, would be unfairly disadvantaged in competing for these grants.

In closing, on behalf of HACU we reiterate our support for the proposed legislation. We endorse both its intent and the tools it seeks to provide our postsecondary education community to meet our nation's graduate education challenge.

Language Recommendations to the Title IX Amendments

Page 3 Line 8: DELETE "to" after "institutions" and ADD. . . through their graduate schools to—. . .

Page 3 Line 9: After "faculty" INSERT . . . without terminal degrees and/or ABD's. . . .

Page 3 Line 17: describing programs and institutional initiatives that can demonstrate a previous successful track record in enrolling, retaining, and graduating minority students either at the undergraduate or graduate levels or institutions that demonstrate the commitment and capacity to improve their track records through establishing formal articulation agreements with HBCU's, tribally controlled colleges, and HACU member institutions (Hispanic-serving institutions) for the purpose of increasing the number of minorities in graduate education.

Page 3 Line 18-19: ADD. . . and provide a teaching/research assistantship to each fellowship recipient.

Page 3 Line 20-23: This should be deleted completely as very few institutions have private support money. This provision gives unfair advantage to more wealthy institutions that have been able to secure external support from alumni, foundations and others and may disqualify second tier institutions from applying for these federal dollars. Instead, SUBSTITUTE

> "(2) identify innovative and effective academic support programs and student services specifically designed to strengthen the academic and social integration of graduate students (mentoring programs, graduate student support organizations and programs, tutorials and other enrichment programs, gradprep programs, summer bridge programs, probationary admission programs, etc.;

Page 4 Line 2: INSERT "including community colleges" after education.

Page 4 Line 10: SUBSTITUTE (2) that public, private, and minority- specific institutions (HBCU's, tribally controlled, HACU-member/Hispanic serving institutions) are fairly represented among the grant recipients.

Page 5 Line 17: After "as advisors" INSERT . . . and mentors, along with the necessary. . . .

Page 6 Line 8. . . . teach, or serve as an academic administrator. . . .

Page 8 Line 15: ADD A (8): Is serving in an administrative or academic support unit in a postsecondary education institution.

Page 10 Line 3: ADD . . . Such support is to be used to develop programs and services which enhance minority student retention, achievement, and degree attainment. (This recommendation follows the Danforth Compton Program Model which provides the institution with additional dollars to improve the environments of support for the students in the program.

Page 10 Line 16/17: after "assistant" ADD . . . at the institution where she/he is enrolled.

DELETE the rest of the sentence (through line 22).

Page 13 Line 2: ADD: In defining national needs, consideration and special emphasis will be given for academic disciplines in which ethnic minorities continue to be underrepresented.

Senator SIMON. Thank you very much.

Let me just note how these things sometimes come around. I note the presence of Bud Blakey, who spent 9 tough, hard years as a member of my staff and who helped create the Patricia Harris Fellowships. I now have a new staff member who got a Patricia Harris Fellowship. So now people everywhere in the Nation, in one way or another, will be benefiting from that.

Mr. Ecton, in the middle of your testimony you have this sentence that really struck me and I have never seen before: "In 1969 the Federal government funded 60,000 fellowships and trainee-

ships, while today it funds about 12,000." And I assume you are talking about graduate fellowships and traineeships here.

Mr. ECTON. Yes.

Senator SIMON. Do you, or any one of the three witnesses, know what caused this dramatic drop?

Mr. ECTON. I really can't speak to the cause of the drop, but I think the result is quite obvious. There is seemingly a correlation between the reduced support and the numbers of students obtaining graduate degrees.

We feel that by increasing the pool of potential students and concurrently providing more opportunities through fellowships that we can correct that problem.

Senator SIMON. Do either of you have any insight into what changed this emphasis, historically? You are both too young to have that perspective, I am afraid.

Ms. LIEBMAN. I honestly don't know what caused it, but it obviously made a difference in the number of students pursuing graduate education.

Mr. MAGALLAN. By the same token I would only suggest that many of the other agencies, the Federal agencies that were a bit more active in supporting graduate education, might not be quite as out in the forefront as they should be—with the exception, of course, of NSF and a few of the departments.

Senator SIMON. Well, clearly, when you have that kind of a dramatic change, there is a change in results, and we are suffering as a result of it.

Ms. Liebman, you expressed reservations about Senator Kennedy's proposal to merge Title IX, Part A with the McNair program in Title IV. Since they both do the same thing, and Senator Kennedy is asking for increased funding, I'm not real clear on why you oppose that.

Ms. LIEBMAN. I don't think that they actually do exactly the same thing. The McNair program has throughout the academic year ongoing programs, does a lot of counseling at the undergraduate level, and is not targeted at the summer research opportunities program—although some McNair programs do have some summer research opportunities with faculty.

I think there are two pieces. One is the body of students that they cover are overlapping in that the Title IX-A program is available for all underrepresented minority students to participate in, independent of their economic background—although after selected into the program, the amount of aid they actually receive depends on their existing financial need.

The McNair programs are most frequently run from sections of the universities involved with student aid that are extremely skilled in dealing with undergraduate students, but often very few members of those staff have been through extensive graduate work themselves and do not have extensive ties to the graduate faculty.

I think the secret of the Title IX programs is that they have been run by graduate faculty and graduate deans, and really are targeted toward putting together that faculty-student mentoring relationship that blossoms, that helps students develop a self-concept of becoming perhaps faculty members themselves.

So to some extent I think it is just run out of a different part of the university, and for that particular program it is best to be run at the graduate level.

Senator SIMON. Mr. Magallan and Mr. Ecton, maybe I am reaching too far here in this, but we have high dropout rates with the Hispanic population—the highest of any ethnic group—not quite as high in the African American community, but still very high. And yet when I look at faculty—I remember 3 years ago at Southern Illinois University, with 25,000 students, there was one Hispanic professor at that point. Is there any kind of relationship between dropout rates and role models in colleges and universities on faculty, or am I reaching too far to try to find causes for high dropout rates?

Mr. ECTON. I really think there is a definite correlation, and there is a good deal of information currently which supports that. More specifically, Dr. Jacqueline Fleming in her recent publication points up the importance of the environment and the comfort of students within their environment and the success with respect to cognitive growth and succeeding academically. And with the increased number of African Americans, if you will, where African Americans are in attendance at an institution, it increases their comfort level, and it provides for them the kind of environment that makes it possible for them to focus on academics without some of the concerns for other social issues that are frequently on campuses.

So I do feel there is a correlation, and it is important for all groups to have the mentors, the role models, who can provide that counseling and cultivation and nurturing that help to grow youngsters into blossoming and contributing adults.

Mr. MAGALLAN. If I may add, I think your observation, Senator, is absolutely correct. When you are suffering a 40-percent attrition rate at the pre-collegiate level, obviously your pool of talent is being diminished that much more.

While we do have 650,000 Latino and Hispanic students enrolled in postsecondary education, we only have approximately 48,000 Hispanic students enrolled in graduate education. We think that by directed and targeted interventions at the collegiate level, we can certainly do much more to increase the number, as I think the bill's intentions demonstrate, of Hispanics enrolled in graduate education, from which, of course, we will draw our scientists and our professors.

Senator SIMON. Let me just ask all three of you a very general question. Dream for a little while. If you could just put on paper whatever you would like to see in the field of graduate education in terms of Federal assistance, what would that dream consist of? Ms. Liebman.

Ms. LIEBMAN. I think packages that promise multiyear support because graduate education is a long and arduous journey, and when students start out knowing that they have support only for the first year guaranteed, and there are 4 or 5 or 6 years beyond, that's a frightening specter.

Mr. MAGALLAN. For minority students, certainly for Hispanic students and any other student who is underrepresented in graduate education, the ideal and Utopian dream would be an entitle-

ment, just as you suggested in your comments, Senator, relative to the GI bill. Put an entitlement out for students who have the merit and the preparation, and let that be determined by the graduate schools—and a commitment, of course, going with such an entitlement for the graduate schools to do all that is necessary to ensure the academic development of such students.

Senator SIMON. If I may go back to your response, Ms. Liebman, right now the problem is there just is no assurance beyond—it is just a year-to-year kind of existence.

Ms. LIEBMAN. It frankly depends on the institution. As a State institution, we can only guarantee State support 1 year at a time. As you know, we don't even have a State budget yet this year.

So it does depend on the institutions, but it is just very worrisome from the students' point of view because most institutions are in our position.

Senator SIMON. Mr. Ecton?

Mr. ECTON. I would like to say in dreaming about graduate education, it is difficult not to think back to some of the motivating factors, and certainly Pell Grant entitlement for those youngsters in undergraduate schools would make it much easier and would motivate students more at the graduate level so that they would not start with extraordinary loans to repay; and at the point of graduate studies having, of course, the funds through fellowships, etc., for them to focus really on academics as opposed to having to worry about finding ways to repay loans as is frequently the case today.

Senator SIMON. Mr. Magallan, a question on the trends in Hispanic graduate education. Do you have any comments on that?

Mr. MAGALLAN. Enrollments by discipline reflect the general changes to be found in graduate education enrollments. For what it's worth, we had more of our students enrolling in the math and science areas during the mid-eighties. We are now seeing that tail off. But I think that's a general trend. We now have higher rates of Hispanic women enrolling and approaching parity. We are pleased to see that, but it is also a general trend.

We have had a drop-off in our participation rates—there have been fluctuations over the last 10, 12 years. But it has held relatively steady, which means we have lost ground in terms of what the proportions of our population that should be enrolled in such programs really should reflect.

What we are concerned about among other things is, again, the numbers of our graduates that are actually receiving in hand Ph.D.'s, and when we are talking about one degree in electrical engineering last year and three degrees in civil engineering, it gets down to the point that we can count where they're at, and that is not a situation we're pleased with.

Senator SIMON. And how would that compare to 5 years ago or 10 years ago?

Mr. MAGALLAN. The numbers, of course, are a little higher now, but they still remain minuscule overall. The proportions have, as I suggested, remained very, very low. As was noted earlier, they are at about 2-percent participation rates. No appreciable improvement.

Senator SIMON. Mr. Ecton, in terms of the African American trend, what do you see in graduate education?

Mr. ECTON. Going back a decade or so, there were more students going on to graduate schools, receiving the master's and the Ph.D. degrees. It is very clear now that while the numbers have increased very slightly in the past couple of years, that does not compare to the numbers of a decade back. So we are barely holding our own at this juncture in terms of not seeing any greater attrition. However, by way of comparison, there are fewer students pursuing graduate studies as compared to what we had going back a decade ago, and it is clear that the reasons are, one, there are too many students having to finance their education through loans, and as a result, they are not motivated to seek advanced degrees, and particularly those holding advanced degrees at, for example, UNCF member institutions where the pay is not comparable to the pay at other majority institutions, it is again a situation where they are not motivated to go on without some form of fellowship or assistance.

So in answer to the question, it is not as good as it has been, but it is stagnant and of course, with additional assistance it could become greater because we do have more youngsters in the pipeline over the past 4 years at the undergraduate level. The enrollment has been just about twice what it has been for other institutions—and I am referring now to UNCF's 41 historically black private colleges and universities. So we do have an opportunity to increase by quantum leaps the numbers of African Americans going on to graduate studies.

Senator SIMON. We thank all three of you for your testimony.

My colleagues may have some written questions that they may wish to submit, and if you can respond as quickly as possible so we can get that in the record, it would be appreciated.

Again, we thank all three of you very much.

Mr. ECTON. Thank you.

Ms. LIEBMAN. Thank you.

Mr. MAGALLAN. Thank you.

Senator SIMON. Our final panel includes Donald Stewart, president of The College Board, and Charles Gibbons, executive director of the Boston Plan for Excellence in Public Schools.

Mr. Stewart, we are pleased to have you here, and we appreciate the contribution that The College Board is making. Please proceed.

STATEMENTS OF DONALD M. STEWART, PRESIDENT, THE COLLEGE BOARD, NEW YORK, NY; AND CHARLES H. GIBBONS, JR., EXECUTIVE DIRECTOR, BOSTON PLAN FOR EXCELLENCE IN PUBLIC SCHOOLS, BOSTON, MA

Mr. STEWART. Thank you, Senator Simon. It is a pleasure to be here and to have this opportunity to address you.

I am Don Stewart, president of The College Board. Perhaps I should also mention, given the last panel, that I am also president emeritus of Spellman College in Atlanta, which is a proud UNCF institution.

I appreciate the opportunity to testify on our efforts at The College Board to assist disadvantaged students in completing high school and going on to a successful college experience.

You do have my full written testimony, which I will excerpt this morning.

Senator SIMON. We do, and it will be entered in the record in its entirety.

Mr. STEWART. I want to applaud the initiative of Senator Kennedy and this committee in introducing both Senate Bill 1134, "America's Commitment to College Education and Success for all Students Act of 1991", i.e., ACCESS, as well as Senate Bill 1137, designed to simplify the delivery of student financial aid. These two bills are not unrelated to one another.

The latter bill, addressed in testimony earlier this morning, addresses some of the most important issues in the reauthorization of the Higher Education Act. Senate Bill 1137, reflecting proposals advanced by NASFAA as well as the College Scholarship Service of The College Board, has behind it the experience and best judgment of practitioners as well as leading analysts on ways to streamline the system of postsecondary student aid.

The focus of my testimony this morning, however, is earlier in the educational pipeline. We need to step up efforts to reach at-risk students beginning in the middle school years, widen their horizons, and better prepare them to take advantage of college opportunities.

Let me tell you about commitments The College Board is undertaking in this area, and then I will comment more specifically on Senate Bill 1134.

Two years ago, our board of trustees adopted the goal that by the end of the 20th century, individuals from traditionally under-represented groups will have access to and complete a 2-year or 4-year education at the same rate as traditional students, i.e., majority students. Various College Board projects are structured to reach this goal, as described in an attachment to my testimony. But our most ambitious program is one that was announced here on June 4, I believe in this room—Equity 2000.

Equity 2000 is predicated on the assumption that all students can learn. There is no question in our minds or in the research that they can. However, they must receive the appropriate academic preparation and the right support.

Supported by a broad-based coalition of foundations, Equity 2000 is being implemented in six urban centers: Fort Worth, TX; Milwaukee, WI; Nashville, TN; Prince George's County, MD; Providence, RI, and San Jose, CA. All six sites have the same student profile: poor, highly minority concentrated, and statistics on college-going that we are not proud of.

Our strategy is threefold: to improve academic preparation, to increase student motivation and raise student expectations, and to disseminate results.

The academic component of Equity 2000 begins with mathematics. Participating schools and school systems will implement required pre-algebra, algebra and geometry courses for all students in the middle and early high school years. The key to Equity 2000 is a profound belief that there must be a solid link between what

we expect children to learn, how teachers and schools will support them in the learning process, and only then, how to measure their progress—i.e., assessment is last in the process.

Equity 2000, therefore, combines teacher training, curriculum development, appropriate materials and, of equal importance, efforts to change the attitudes of students, teachers, parents, school administrators and the community. Above all, we want to raise expectations.

We believe Equity 2000 reflects the ideal process for educational reform—a partnership between local, school-centered efforts and national expertise that will allow students to reach desired educational outcomes. Research and evaluation will occur on an ongoing basis, and the results will be shared widely as the basis for a national advocacy campaign so that others can replicate, we hope, Equity 2000.

Ultimately, however, the proof of our success will be in the numbers—have we raised the college-going aspirations of the students involved; have we raised the college-going rates in these districts? Affirmative answers to these questions are our goal.

Finally, Senator, I wish to comment on efforts to promote early intervention and awareness during the current reauthorization of the Higher Education Act. In our recommendations to the House this year, The College Board supported several early intervention initiatives including a proposal by the American Council on Education, ACE, to create a new authority under the State Student Incentive Grant, SSIG, program for matching grants to help States initiative or expand early intervention programs for at-risk students. And our Washington office, headed by Larry Gladio, who is here today, has organized a coalition of groups to recommend general criteria for early intervention programs including Federal-State partnerships.

The College Board supports the goal of Senate Bill 1134 to encourage disadvantaged students to finish high school and to obtain a college education, and particularly supports the emphasis on improved academic preparation for these students.

We do have two concerns, however. S. 1134 does not include a floor for current SSIG funding, an important component of State student financial aid programs, nor does it specifically mention the TRIO programs—the main vehicle for early Federal intervention activities—as eligible providers of services. The College Board would very much like to work with you and the committee in addressing these concerns.

Educationally speaking, we live in the best of times and the worst of times. Never have we seen such challenge and distress in our schools. Never in our history have we seen the concerted energies of leaders at the highest levels of government, business and education so focused on improving how and what our children are learning. The College Board pledges to work in any way possible with the members of this committee to achieve the goals of educational equity and excellence.

Thank you, Senators, and I would be pleased to answer any questions.

Senator SIMON. We thank you.

[The prepared statement of Mr. Stewart follows:]

PREPARED STATEMENT OF DONALD M. STEWART

Senator Kennedy and members of the Labor and Human Resources Committee, I am Donald M. Stewart, President of the College Board. I very much appreciate the opportunity to provide testimony on our efforts to assist disadvantaged students in completing high school and going on to a successful college experience.

I want to applaud your initiative in introducing S. 1134—America's Commitment to College Education and Success for all Students Act of 1991 "ACCESS"—and S. 1137, designed to streamline and simplify the delivery of student financial aid. The latter, subject of testimony by the National Association of Student Financial Aid Administrators (NASFAA) earlier in this hearing, addresses some of the most important issues in the reauthorization of the Higher Education Act. S. 1137 reflects proposals advanced by NASFAA as well as recommendations developed by the College Scholarship Service (CSS) of the College Board. The legislation you have introduced, therefore, has behind it the experience and best judgement of aid practitioners as well as leading student aid analysts. CSS's recommendations derive from several years of debate and analysis by the CSS Committee on Standards of Ability to Pay, followed by wide discussion and consensus-building among CSS member representatives. I will submit additional comments on S. 1137 for the hearing record.

The focus of my testimony this morning, however, is the crucial importance, early in the education pipeline, of reaching at-risk students with information about college opportunities, widening their horizons, and better preparing them for postsecondary training. S. 1134, ACCESS, would help in this cause, and I have some suggestions for strengthening the bill. But let me first tell you about commitments the College Board has undertaken in this area.

Founded in 1900, the College Board is a national nonprofit membership association of more than 2800 schools and agencies in higher and secondary education committed to promoting educational opportunity and improving academic standards. The Board sponsors programs in guidance, admissions, placement, assessment, financial aid, and credit by examination to assist the school-to-college transition of some four million students each year. Throughout our history one of our activities has been to establish standards through collaborative efforts involving school and college faculty. The Board also sponsors research and provides forums to discuss common problems in education.

COMMITMENT TO EQUITY

Our deep and pervasive commitment to educational access is reflected in the goal adopted by our Board of Trustees in March 1989. It states that:

> *By the end of the twentieth century individuals from traditionally underrepresented groups will have access to and complete 2-year and 4-year college education at the same rate as traditional students.*

Various College Board projects are structured to reach this goal, as described more completely in *Commitment to Equity* attached to this testimony. Our projects include efforts to:

—strengthen educational guidance and counseling in nine school districts across the country (co-sponsored with the National Association of College Admission Counselors and with funding from the Lilly Endowment);

—develop a video presentation for national broadcast to motivate 6th and 7th grade disadvantaged and minority students to consider and prepare for college (the College Awareness Campaign made possible by a grant from the Coca-Cola Foundation);

—increase college attendance among minority group students by developing academic skills and by encouraging family and financial support (Project Prime, developed along with the Educational Testing Service and the Hispanic Higher Education Coalition);

—encourage urban youngsters in six cities to start planning for college at an early age (with the support of the Aetna Foundation);

—produce materials to develop early college awareness activities for underrepresented minority junior high school students in Los Angeles schools;

—develop a television and videotape training series for teachers that provides suggestions for applying research based methodologies in the classroom (supported by the MacArthur Foundation);

—offer grants that enable teachers from districts located in economically disadvantaged areas to attend workshops that will help their students benefit from a challenging high school curriculum (Advanced Placement Summer Institutes supported by Andrew W. Mellon Foundation);

—support efforts to identify students through the National Hispanic Scholar Awards Program (with the Andrew W. Mellon Foundation), and;
—sponsor the Educational Opportunity Center (EOC) located in Washington, D.C. which offers services that help low-income, disadvantaged adults and youths to enter and succeed in college.

EQUITY 2000

The College Board takes pride in all of these programs. But today I wish to focus my remarks on our most ambitious program, one that was announced here in Washington on June 4 . . . . EQUITY 2000, a 6-year project aimed at eradicating the difference between minority and majority students in access to, and success in, college. I am attaching to my testimony a more complete description of EQUITY 2000.

EQUITY 2000 is predicated on the assumption that all students can learn. There is no question in our minds, or in the research, that they can. However, they must receive the appropriate academic preparation and the right support. Providing this preparation and support is one of the two purposes of 'EQUITY 2000. The other is to develop a model that can be widely and easily replicated throughout the nation.

EQUITY 2000 has already been implemented in six urban centers: Fort Worth, Texas; Milwaukee, Wisconsin; Nashville, Tennessee; Prince George's County,Maryland; Providence, Rhode Island; and San Jose, California. It is being supported by a broad based coalition of foundations including the Ford Foundation, DeWitt Wallace-Reader's Digest Fund, Amon G. Carter Foundation, General Electric Foundation, Meadows Foundation, and Sid W. Richardson Foundation.

Let me describe in further detail the EQUITY 2000 strategies:

—to improve academic preparation at the middle and high school levels starting with the requirement of college preparatory algebra and geometry courses for all students;
—to increase student motivation and raise student expectations by providing the requisite information on college preparation, application and planning to students, their families, schools and school systems and others in the community; and
—to disseminate results and encourage replication through research, evaluation and a national advocacy campaign.

The foundation for EQUITY 2000 is research conducted for the College Board by Pelavin Associates, an independent research firm in Washington, DC. This research, published last year in *Changing the Odds: Factors Increasing Access to College*, examined the factors statistically associated with college entrance and success. Its findings are critical—substantially more students, regardless of race or ethnicity, entered and succeeded in postsecondary education if they planned to attend college and mastered algebra and geometry in high school. These findings are important because they point to the starting place for the design of EQUITY 2000 and for the implementation of long term and widespread education change.

The academic component of EQUITY 2000 begins with mathematics. Participating schools and school systems—nearly 200 middle and high schools in six communities across the nation—will implement required pre-algebra, algebra and geometry courses for all students according to a schedule in which eighth-grade students will take pre-algebra in 1991-92; ninth grade students will take algebra in 1992-93; and tenth grade students will take geometry in 1993-94. Each local site is sponsoring two week Summer Math Institutes designed to provide eighth grade math teachers with training to help all students prepare for and succeed in algebra and geometry.

I realize that for many people targeting mathematics in a program to increase college-going rates among disadvantaged students may come as a surprise. For those of you who, like me, may not have been math champions, I would like to quote David Sanchez of the National Science Foundation:

"Math provides an understanding of structure, a confidence in orderly processes, and an ability to solve problems. . . . Good grades in high school math are one of the best indicators of college success in *any* field of study . . . and math is the key that opens up the door to many careers."

Key to this part of EQUITY 2000 is a profound College Board belief that there must be a solid link between *what* we expect children to learn, *how* teachers and schools will support them in learning, and only then *how to measure* their progress. For standards are meaningless if not accompanied by a commitment to the implementation of strategies that enable all students to meet them. EQUITY 2000, therefore, combines teacher training, curriculum development, appropriate materials, and, of equal importance, efforts to change the attitudes of students, teachers, parents, school administrators and the community.

As I have noted above, the instructional process must be accompanied by changing student expectations of their own opportunities. Students and their families must know early on that they can attend college and understand what is required to get there—sources of financial aid, appropriate academic courses and the application process. A strong and continuous guidance process must be developed in conjunction with academic preparation.

A national training institute for guidance counselors from the districts incorporates strategies to enhance their skills in counseling pre-college students and their parents, followed by ongoing training at the sites for guidance counselors in the 8th, 9th and 10th grade. Additional activities include the development of district guidance resource centers to furnish information and assistance to students and parents in planning for, and applying to college including procedures for financial aid, and workshops to help parents in supporting their children in the learning and college-going process.

We have great expectations that as the project unfolds, teachers, administrators, students, parents, community leaders, and all those involved, will add their critical knowledge, expectations and discoveries about how best to achieve the goals of EQUITY 2000. This is part of a national consensus building process upon which further local adoption can occur. Research and evaluation of the project will occur on an ongoing basis. The results will be widely shared as the basis for a national advocacy campaign so that schools, school districts, educational associations, and states that are interested can replicate EQUITY 2000.

Ultimately, however, the proof of our success will be in the numbers. Have we raised the college-going aspirations of the students involved? Have we raised the college-going rates in these districts? Affirmative answers to these questions are our goal.

We believe that EQUITY 2000 reflects the ideal process for education reform: a partnership between local school-centered efforts and national expertise that will allow students to reach desired educational outcomes in the ways that best fit the broad range of learning needs. With mathematics and guidance as the levers and with institutional and community support, it will be possible to make the critical changes necessary to achieve educational excellence and equity.

COLLEGE BOARD LEGISLATIVE INITIATIVES PROMOTING EARLY INTERVENTION

Finally, Mr. Chairman, I would like to focus on the efforts of the College Board to promote and support early intervention and awareness during the current reauthorization of the Higher Education Act. In our recommendations to the House earlier this year, the Board supported several early intervention initiatives including a proposal by the American Council on Education (ACE), somewhat similar to "ACCESS", to create a new authority under the State Student Incentive Grant (SSIG) program for matching grants to help states initiate or expand early intervention programs for at-risk students. The Washington Office of the College Board has convened a coalition of groups, mostly from postsecondary education, to recommend general criteria for early intervention programs including Federal-State partnerships.

The College Board supports the goal of S. 1134—to encourage disadvantaged students to finish high school and to obtain a college education—and particularly supports the emphasis upon improved academic preparation for these students. As I have described earlier, this goal and emphasis are both inherent in EQUITY 2000.

We do have two concerns, however. S. 1134 does not include a floor for current SSIG funding, an important component of state student financial aid programs, nor does it specifically mention the TRIO programs, the main vehicle for Federal early intervention activities, as eligible providers of services. The TRIO programs are vital, and therefore should be specified as providers. The College Board would very much like to work with you and the Committee in addressing these concerns.

* * * * *

Educationally speaking, we live in "the best of times and the worst of times." Never have we seen such challenge and distress in our schools. Never in our history have we seen the concerted energies of leaders at the highest levels of government, business and education so focused on improving how and what our children learn. What is called for in this challenging moment for education in America, this best and worst of times, is close collaboration among political, business educational groups. To that end, the College Board pledges to work cooperatively and collaboratively with the members of this committee to achieve the goals of educational equity and excellence.

Thank you. I will be pleased to answer any questions that you might have.

BACKGROUND ON EQUITY 2000

GOALS

EQUITY 2000 is a concerted national effort to overcome the inadequate education all too often provided to poor and minority students in America. Its overall goal is to increase dramatically the number who attend and succeed in college. Project goals are:

- to improve academic preparation at the middle and high school levels by requiring college preparatory algebra and geometry courses for all students
- to increase student motivation and raise student expectations by providing the requisite information on college preparation, application, and planning
- to disseminate results and encourage replication through research and evaluation and a national advocacy campaign.

EQUITY 2000 embodies much of what is called for in the current national curriculum and assessment movement, including the setting of standards, the preparation of teachers to help students meet those standards, an undergirding of guidance support, and the use of diagnostic assessment techniques to identify student strengths.

RESEARCH SUPPORT

The underpinning for EQUITY 2000 is research commissioned from Pelavin and Associates by the College Board and published in *Changing the Odds: Factors Increasing Access to College.* The research found that 2 or more years of college preparatory mathematics are strongly associated with college going and that taking these specific courses can significantly reduce the difference in college-going rates among white, African-American, and Hispanic students, and between the highest and lowest income groups.

While the report identified college prep math as a critical factor in whether students entered and succeeded in college, it is careful neither to distinguish between cause and effect nor to downplay other critical factors in the nonacademic arena. Just as certain courses act as "gatekeepers" for college entrance, so do student aspirations. The Pelavin research found that aspiring to complete a college degree enhances college attendance and serves to reduce the gap between racial and income groups in college attendance.

The Pelavin research clearly points to some of the building blocks upon which widespread and long-term educational change can be built. These include:

- all students can learn given the proper course work and support
- academic preparation is central to improving education, with high school mathematics being a particularly important discipline
- aspirations toward and information about (and therefore preparation for) higher education are critical for students and their parents.

ACADEMIC PREPARATION

The EQUITY 2000 academic module focuses on mathematics. Specifically, all participating schools and school systems will implement pre-algebra, algebra, and geometry courses for all students.

In 1991-92, all eighth-grade students will take pre-algebra.
In 1992-93, all ninth-grade students will take algebra.
In 1993-94, all tenth-grade students will take geometry.

In order to be successful in this area, there needs to be an effective continuum of standards, materials and assessment, and training put together through a coalition of schools, teachers, and mathematicians.

Standards: A group of mathematics specialists has been convened to develop specific standards to be used in the student progression from pre-algebra to algebra and geometry. Building on recommendations of the National Council of Teachers of Mathematics Commission on Standards for School Mathematics and material in the College Board Educational Equality Project's "Green Book," these standards will recognize the range of background preparation with which students will be entering the courses. Members of this committee will also provide technical assistance at the project sites.

Materials and Assessment: The standard setting committee will also identify effective curricular and supplemental materials necessary to reinforce standards and course work. The College Board Office of Academic Affairs and the Guidance, Access, and Assessment Services Division have begun the process of identifying diagnostic assessment instruments for mathematics, which will be used beginning in

the eighth grade and continuing through the tenth grade. For example, Algebridge, a program developed by the Board and Educational Testing Services, will help teachers to assess and instruct algebraic thinking within the context of arithmetic.

Training: Each site will sponsor a two-week Summer Math Institute for all eighth-grade math teachers, designed to enhance mathematics teachers' efforts, improve their self-image, demonstrate methods to overcome minority student math anxieties, and help teachers define academic outcomes. The emphasis of the summer institutes is on producing teachers who are well prepared to implement a better mathematics teaching strategy in their classes and have students well prepared to take and succeed in algebra and geometry. Plans for teacher training following the summer institutes are also being developed. These include ongoing training for eighth-grade teachers and training for ninth- and tenth-grade teachers.

Other in-service activities will be carried out during the school year for local middle and high school mathematics teachers to acquaint them with the new process and methods being instituted in the district and to encourage their participation. Each school district will also work in cooperation with nearby colleges and universities in developing and implementing these staff development activities.

GUIDANCE AND COUNSELING

The goal of the EQUITY 2000 guidance and counseling module is to enhance precollege guidance and counseling services for middle and high school students and their parents in order to support academic preparation for college, college entrance, and college completion, and more informed career guidance, in general. All the guidance and counseling activities will be coordinated and designed within the parameters of the academic module so that they support each other. Coordination is necessary because the instructional process must accommodate changing student expectations and increasing motivation about their own opportunities. Students must know that they can attend college and understand what is required within the process.

Staff Development: Selected middle and high school guidance counselors will be invited to attend a 1-week Summer Guidance Institute which will seek to improve each counselor's capacities to motivate and guide students about the importance of academic preparation, their academic potential, and college-going possibilities. The guidance institute will have a strong focus on equity issues, emphasizing multicultural activities.

Five of the EQUITY 2000 sites have joined together to plan and implement a single summer guidance and counseling institute, developed by a committee of representatives from the localities and national experts. This committee will form the basis for the development of a permanent group to offer ongoing support to the guidance module. The Milwaukee Public Schools are developing an alternative guidance module—a commuter institute that is coordinated with their Summer Math Institute.

Early Awareness: Activities are being designed and implemented that focus on information about college, motivation for academic preparation for college, and assistance to give parents the know-how to help their children in the college-going process. Other activities include developing summer programs on college campuses for special groups of students (e.g., first-generation college students), and developing special visits to colleges for large groups of students with opportunities for contact with faculty and students.

Resource Centers: Each high school will develop a Career/College Resource Center designed to provide relevant and timely information to students at each school. The College Board offices involved in assessment, financial aid, and guidance are currently putting together materials to be made available to the Resource Centers.

Local Coalitions: Each EQUITY 2000 site is developing a plan to bring parents and local institutions of higher education into the project. Coalitions will be made with local institutions of higher education and other groups to develop special student support activities, such as tutorial services. A series of workshops will be developed to train parents to help other parents support their children in the learning and college-going process. The coalitions of math teachers and counselors will share their goals and efforts in workshops with nonmath teachers to raise expectations among this group about student performance and to relate their course work to the mathematics program.

EVALUATION AND ADVOCACY

EQUITY 2000 is designed to be replicated in other sites. Throughout the life of the project, a research and evaluation component will identify and describe fully

those principles that can be transferred. An evaluation study will define and measure success in five areas:

- program implementation
- student and parental attitudes toward college
- student achievement
- teachers' skills, attitudes, and expectations
- college participation outcomes.

Data will be collected from each participating school district through observation of classes, teacher training, meetings with parents, and abstraction of data from school or district records. Teacher, student, and parent questionnaires will be developed, administered, and analyzed across the six sites.

Advocacy. The academic and guidance components will be supported with a national campaign to foster national expansion of EQUITY 2000 by placing it on the agenda of national educational organizations, various levels of government, foundations, and other organizations concerned with equity. Networking activities within and among the various sites have already begun and will continue for the purpose of sharing information, successful practices, and enthusiasm. The College Board will also, through its consensus-building and forum functions, link other organizations and ongoing activities that represent attempts at solutions to the problems of educational equity. Helping to build coalitions and forge alliances among like-minded groups will focus efforts, conserve scarce resources, and encourage replication of ideas and programs that really work. Among the activities anticipated are the sharing of materials and annual Equity Conferences for organizations to come together to discuss their common efforts and explore ways to strengthen those efforts.

A Commitment to Equity

The College Board is playing a leading role in the following projects and programs designed to have a positive impact upon urban education. Each reaffirms the College Board's commitment to the principle of educational equity.

EQUITY 2000

This project reflects the College Board's goal that—by the end of the Twentieth Century—individuals from traditionally underrepresented groups will have equal access to and complete a college education at the same rate as traditional students. The project was created for middle and high schools and school districts to develop and implement a school and community-based approach to help minority students prepare for, participate in, and complete college. Central to the effort is mathematics education, with in-service training for teachers and counselors serving as an important component.

The project is being implemented in Fort Worth, Texas; Providence, Rhode Island; Nashville, Tennessee; Prince George's County in Maryland; Milwaukee, Wisconsin; and San Jose, California.

To date, this effort is supported by funds from the Ford Foundation, the DeWitt Wallace-Reader's Digest Fund, the Amon G. Carter Foundation, the General Electric Foundation, the Meadows Foundation, and the Sid W. Richardson Foundation.

STRENGTHENING EDUCATIONAL GUIDANCE AND COUNSELING IN SCHOOLS

Nine school districts across the country are participating in a project co-sponsored by the College Board and the National Association of College Admission Counselors (NACAC), with funding support from the Lilly Endowment. Through the active leadership and participation of teams that include teachers, counselor, and school principals at both high schools and middle schools in these districts, the project is designed to improve the delivery of precollege guidance to students—particularly disadvantaged students—and to improve the academic achievement of all students.

Participating districts are: Denver Public Schools, Colorado; Greensville County Schools, Emporia, Virginia; Los Angeles Unified School District, California; North East Independent School District, San Antonio, Texas; San Jose Unified School District, California; School Board of Broward County, Fort Lauderdale, Florida; School District of Lancaster, Pennsylvania; South Bend Community School Corporation, Indiana; and Special School District No. 1, Minneapolis, Minnesota.

THE COCA-COLA FOUNDATION AWARDED THE COLLEGE BOARD A GRANT TO DEVELOP A VIDEO PRESENTATION FOR NATIONAL BROADCAST TO MOTIVATE 7TH AND 8TH GRADE STUDENTS, PARTICULARLY DISADVANTAGED AND MINORITY STUDENTS, TO CONSIDER AND PREPARE FOR COLLEGE.

The College Board will develop, and the Southern Educational Communications Association will distribute nationally, a series of five 12-24 minute video presentations intended to motivate and encourage middle and junior high school students to pursue an academic program in high school and to continue on to college. Additionally, funds were provided to reprint copies of the "You Can Go to College if You Want To" Activity Book. College Board staff in each of the six regions will coordinate the distribution and use of the Activity Book at middle and junior high schools at ten select sites to provide students with specific activities as a part of college awareness. Early college awareness materials developed for the Los Angeles Unified School District will be distributed to participating sites.

The cities involved in this project are: Atlanta, Georgia; Cleveland,Ohio; Fort Worth, Texas; Milwaukee, Wisconsin; Nashville, Tennessee; New Orleans, Louisiana; Prince George's County, Maryland; Providence, Rhode Island; San Jose, California; and Seattle, Washington.

PROJECT PRIME

This project was developed by the College Board, the Educational Testing Service, and the Hispanic Higher Education Coalition, and is funded with Federal, State, foundation, business, and industry grants. It is designed to increase college attendance among minority-group students by developing their academic skills and by encouraging family and financial support for their efforts. By trying to help students improve their educational attainment every year between grades 7 and 12, the project expects to double the number of minority students who go on to college and who graduate from college each year in the State of Arizona. This project has already noted a sharp increase in the number of minority students participating in Advanced Placement courses.

It also expects to triple each year the number of minority students in Arizona who major in science, engineering, and mathematics-related fields and who graduate from such courses of study. In 1991-92, 15,000 students and parents will participate.

THE AETNA FOUNDATION PROJECT

The Aetna Foundation awarded the College Board a grant of $220,000 to fund programs in six cities throughout the United States. The program is designed to encourage urban youngsters to start planning for college at an early age.The project focuses on students in the upper elementary grades and middle school grades and their parents; gives students the opportunity to become familiar with campus life through contact with college students, faculty, administrators, and professors; presents programs bilingually where appropriate; designs activities for targeted student/parent groups; involves the higher education community in cooperative activities; suggests that students take academic courses while in high school; encourages students to complete high school; and informs students about college opportunities.

The grant extends a pilot program, which began in 1986 in the Fort Worth Independent School District, to include five other school districts. The Fort Worth Model is being replicated in Lowell, Massachusetts public schools; Trenton, New Jersey public schools; Savannah/Chatham County schools, Georgia; Milwaukee public schools, Wisconsin; and San Jose United and East Side school districts, California.

LOS ANGELES PROJECT

For this project, the College Board has produced two sets of materials to develop early college awareness activities for underrepresented minority junior high school students. The first booklet is designed for students in the eighth grade after they take the PSAT/NMSQT; the second booklet is intended for the same students in grade 9 who have taken the PSAT/NMSQT a second time. The materials, distributed by college counselors, are designed to give students a better idea of the verbal and math skills needed to do well in college, and to motivate them to improve their skills, to seek information, and to follow suggestions for early college awareness activities.

MACARTHUR FOUNDATION GRANT PROJECT

This project, a television and videotape training series, will give teachers suggestions for applying research-based methodologies in the classroom. The programs, which will air in 1991, will focus on the academic needs of students as they strive to learn. The series is teacher- and student-centered. Suggestions for change emerge from actual classroom experiences, in which teachers and students describe the benefits of suggested strategies and the need for change in instructional management.

ANDREW W. MELLON FOUNDATION PROJECT

This project is made possible through the Andrew W. Mellon Foundation, which renewed its commitment to the College Board's Advanced Placement (AP) Program by awarding a 2-year, $250,000 grant enabling teachers to attend workshops on establishing AP courses in their schools. This project has been extremely successful because of the number of teachers trained, the number of sessions attended, and the number of students affected.

Secondary school teachers from districts located in economically disadvantaged areas or with predominantly minority school populations learn how to help their students benefit from a challenging high school curriculum. More than 850 teachers have participated in AP Summer Institutes held around the country.

ADVANCED PLACEMENT PRE-HIGH SCHOOL INITIATIVE

This initiative of a College Board advisory council was developed by a national committee of educators representing middle and secondary schools, as well as universities and national organizations. Its primary objective is to create a middle school/high school continuum that will inspire, motivate, and challenge all students in grades six and above to academic excellence rather than only gifted students.

The following five initiatives will be implemented:

- Provide resources to help improve articulation between middle schools and high schools, in order to increase the pool of students ready to undertake challenging courses in high school;
- Assess each student's proficiency in the principal disciplines as the student enters the middle grades;
- Establish an Advisory Advocacy Program which would be responsible for maintaining student portfolios, as well as providing academic counseling;
- Provide teacher training which would facilitate cooperation among middle school and high school teachers;
- Offer national examinations which would provide advanced standing in high schools.

NATIONAL HISPANIC SCHOLAR AWARDS PROGRAM

Established in 1983, this Program annually identifies Hispanic juniors who take the PSAT/NMSQT and presents scholarships and honorable mention awards to 1,000 students. Through a roster of semifinalists, more than 24,000 outstanding students have been identified and given recognition. The Program has been funded since its inception by the Andrew W. Mellon Foundation.

In addition to the projects described within, the College Board also sponsors an Educational Opportunity Center (EOC) in Washington, DC. It offers services to District of Columbia residents through a network of about 15 satellite offices and minicenters donated by public, private, and community agencies. EOC works with six other educational programs in the district to help low-income, disadvantaged adults and youths enter and succeed in college.

For further information on any of these activities please contact The Office of Public Affairs, The College Board, 45 Columbus Avenue, New York, NY 10023.

Senator SIMON. Mr. Gibbons, let me say that my colleague Senator Kennedy who chairs the committee would like to be here—in fact, he hopes to return shortly; he was called over to the floor because we have the so-called "gag rule" up before the Senate right now, which comes under his jurisdiction—but I know that he is very pleased with the leadership your group is providing and very pleased particularly to have you as a witness here today.

We would be pleased to hear from you now, the executive director of the Boston Plan for Excellence in Public Schools.

Mr. GIBBONS. Thank you, Senator. Good morning, Senator Simon, Senator Durenberger.

It is an honor for me to represent the Boston Plan for Excellence in the Public Schools before this committee. I would preface my remarks by pointing out that while I am now directing the Boston Plan, I previously served 27 years in the Boston public schools, and it has been my experience—and I am sure everyone here knows—the value of early involvement with at-risk students and their families.

Senator Kennedy's bill, S. 1134, would provide that intervention in grades six, seven and eight, the most critical years.

The Boston public school system, the oldest in the United States, was a national leader in education in the 19th century. At the end of the 20th century, this same school system is not in such a favorable position. Rather, it is confronted with the fiscal and demographic challenges plaguing many inner city schools—reduced enrollment, high dropout rate, and a seriously disadvantaged student population.

The Boston Plan for Excellence in the Public Schools Foundation—one of the first community-based endowments for public education in the United States, is bringing together business, education, and government leaders to help restore the public schools of Boston to their former position of national educational eminence.

The Boston Plan was created in 1984, with a gift of $1.5 million from the Bank of Boston. The Boston Plan forges a partnership between the local business community and the Boston public schools. Teachers, students, parents and administrators work with business leaders to find new ways to improve public education in Boston. Corporate and foundation contributions help to fund these ideas, creating programs for students in kindergarten through high school.

Seven corporations and foundations have provided the bulk of the funding for the plan. In addition to the founding gift from the Bank of Boston, substantial grants have come from The New England, John Hancock Financial Services, the law firm of Goodwin, Procter & Hoar, the Boston Foundation, the Massachusetts Higher Education Assistance Corporation, and the Bank of New England. In 1991, the plan's endowment has grown to over $20 million.

Many of the students who drop out of high school or college have the intellectual capacity for academic success. Unfortunately, they often lack the money for tuition or living expenses and the encouragement to push on. The Plan for Excellence is committed to fulfilling the intellectual promise of these bright and talented young people by making it possible for them to complete their educations.

The programs of The Boston Plan provide students with academic, financial, and personal support. In elementary school, the SEED program fosters an excitement about learning and about the value of education. It emphasizes the development of strong language skills. During the middle and high school years, the HEART program and the Bank of Boston School Initiatives Grant program help teachers, school guidance counselors, peer counselors, and volunteers from the business community give students the self-confidence and motivation to succeed in school, college, and the workforce.

The ACCESS program helps high school seniors find the money to pay for college. In addition, it provides the all-important "last dollar" scholarships that make up the difference between the actual cost of college and what a student has been able to raise from other sources of financial aid within guidelines.

ACCESS, an initiative of The Boston Plan, stands for "Action Center for Educational Services and Scholarships". The program begin in 1985 with a $1 million grant from The New England. Managed by The Plan for Excellence, the ACCESS program is staffed by five financial aid advisors and a director. The financial aid advisors spend at least 1 day a week in each of their assigned high schools, helping students who want to go to college but who lack the financial means. Since 1985, more than 10,000 students have received financial aid counseling and have identified millions of dollars in Federal and State grants, scholarships and loans.

When traditional sources of financial aid are exhausted, ACCESS steps in with "last dollar" scholarships, closing the gap between the amount of money the student has been able to raise and the amount of money a year of college will actually cost within guidelines. The "ACCESS Scholars" who are awarded these initial scholarships continue to receive support from the program—if necessary—for each year that they remain in college up to 6 years. ACCESS has awarded "last dollar" college scholarships to 662 students over the last 6 years, and we are in the process now of identifying the class of 1991.

The founding grant from The New England was followed by a $1 million grant from the Massachusetts Higher Education Assistance Corporation and a grant in the same amount from the Boston Foundation. Additional gifts and pledges have brought the ACCESS endowment to $5.7 million, and the income from the endowment pays for the "last dollar" scholarships and the ACCESS staff salaries.

For every dollar that we give out in ACCESS scholarships, we find an average of eight dollars from other sources of financial aid. Through the efforts of our advisors, we have leveraged more than $10 million in financial aid from other sources since the program began. Our success in leveraging additional funds means that any contributions to ACCESS are worth more than their actual dollar value.

Unlike Senator Kennedy's ACCESS bill, Boston's ACCESS program works almost exclusively with high school seniors and juniors. The Boston Plan works through teachers and administrators to communicate the parents and students that postsecondary options should include college; they should not make decisions in elementary or middle schools that would close this door.

The goal of Boston's ACCESS program is that no qualified student graduating from a Boston public high school shall be denied the opportunity for higher education because of a lack of information about available financial aid or lack of financial resources.

The criteria for applying for an ACCESS "last dollar" scholarship is that a student must be a senior in a Boston public school, have lived in the City of Boston sometime during their senior year, have maintained a "C" cumulative grade point average in their senior year. All students are eligible, not just a targeted group.

The Boston Plan's ACCESS program allows students to go to the postsecondary institution, public or private, in-State or out, of their choice, as you can see by the enclosed material. Included in this information is an anecdote of Cheryl, a young woman who discovered that she could go to college through the ACCESS program and has since been hired as a teacher in the Boston school system.

There are thousands of others out there who, too early in their lives, either give up on their dreams or are discouraged from dreaming by even family members. Senate Bill 1134 would offer hope to them.

Thank you.

[The prepared statement of Mr. Gibbons follows:]

PREPARED STATEMENT OF CHARLES H. GIBBONS, JR.

Mr. Chairman, distinguished Senators, it is an honor for me to represent the Boston Plan for Excellence in the Public Schools before this distinguished Committee. I would preface my remarks by pointing out that while I'm now directing the Boston Plan, I previously served 27 years in the Boston Public Schools.

The Boston Public School system, the oldest in the United States, was a national leader in education in the 19th century. At the end of the 20th century, this same school system is not in such a favorable position. Rather, it is confronted with the fiscal and demographic challenges plaguing many inner city schools: reduced enrollments, a high dropout rate, and a seriously disadvantaged student population.

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financial aid counseling and have identified millions of dollars in Federal and State grants, scholarships, and loans.

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Thank you Mr. Chairman and members of the Committee.

Profile of 1990 ACCESS Scholars

INSTITUTIONAL OVERVIEW

Institution	No. of Students
Northeastern University	24
Boston University	16
Fisher College	8
Boston College	5
Wentworth Institute of Technology	5
Franklin Institute of Boston	4
Johnson & Wales University	4

Other In-state Institutions:

Bentley College
Dean Junior College
East Coast Aero Technical School
Emmanuel College
Katherine Gibbs School
Mount Ida College
Newbury College
Pine Manor College
Stonehill College
Suffolk University
The Art Institute of Boston
University of Mass./Boston
Western New England College
Worcester Polytechnic Institute

Other Out-of-State Institutions:

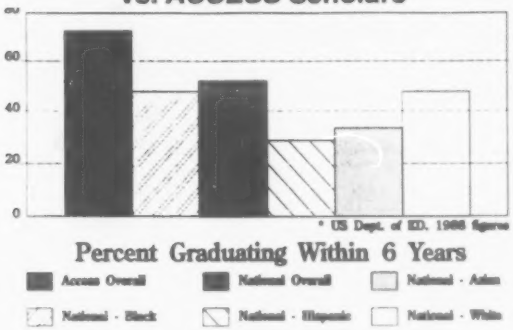
Adelphi University
Alabama State University
Colby-Sawyer College
Fairleigh Dickinson University
Florida A & M University
Fort Valley State College
Grambling University
Hampton University
Howard University
Junior College of Albany
Morris Brown College
New York Institute of Technology
North Carolina Central University
Providence College
Spartanburg Methodist College
St. Anselm College
Temple University
The American University
Tuskegee University
University of Rhode Island
Virginia State University
West Virginia Wesleyan College
Wilberforce University

CAREER CHOICE DISTRIBUTION

Field	No. of Students	Field	No. of Students
Business	29	Travel/Tourism	3
Engineering	12	Architecture	2
Undecided	10	Computer Studies	2
Law	8	Design/Graphic Arts	2
Technology	8	Education	2
Communications	7	Performing Arts	2
Psychology	5	Science	2
Health Services	4	Criminal Justice	1
Nursing	4	Culinary Arts	1
Medicine	3	Languages	1
Secretarial	3	Pharmacology	1

The success rate of *ACCESS* Scholars is truly remarkable. *ACCESS* Scholars receive both financial and personal support that is helping them far outpace national graduation rates. The chart below shows the first two classes of *ACCESS* Scholars (250 awardees) in relation to national figures.

Retention Comparison: National Averages* vs. *ACCESS* Scholars



Every school day, *ACCESS* Advisors are helping students repeat Cheryl's success. By the time they graduate, nearly every Boston public high school graduate has seen an *ACCESS* Advisor and is given new hope for going on to college.

ACCESS Facts

Since 1985:

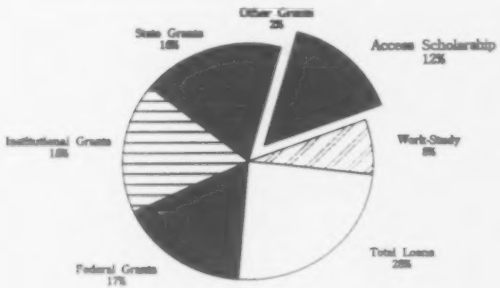
- **More than 10,000 students have received financial aid counseling**
- **$1.3 million has been paid in "last dollar" scholarships**
- **Ongoing support for *ACCESS* Scholars consists of financial aid, a newsletter, personal advice and an emergency loan fund.**
- ***ACCESS* Scholars are staying in college and graduating at a rate of close to 90%**

ACCESS is a program of the Boston Plan for Excellence in the Public Schools
60 State Street, Boston, MA 02109 Tel: (617) 723-7489 Fax: (617) 589-3616

Cheryl, a senior at the Jeremiah Burke High School in Boston and the youngest of 11 children, never considered that attending a four-year college could be a reality for her. Despite having the academic credentials, she was hard pressed to believe that she could afford the tuition for the college that she wanted to attend, one that offered a degree in elementary education. Then she met Peter, the *ACCESS* Advisor at the Burke. Over several meetings, Peter helped her fill out her Financial Aid Form and to apply for several scholarships. Cheryl was thrilled to learn that she was accepted at Emmanuel College. The financial aid package Peter helped her peice together (made up of federal, state, and college grants and loans) covered all her anticipated expenses except for about $750 dollars. Cheryl then applied for an *ACCESS* "last dollar" scholarship so that each year, *ACCESS* sent a check for $750 to Emmanuel to cover this gap. She graduated with honors four years later and is now employed as a second grade teacher in the Boston elementary school.

Cheryl is one of 644 students, each with their own story, who have received ACCESS "last dollar" scholarships since the *ACCESS* program started in 1985. These scholarships range from $200 to $3500 for a total of $1.3 million granted to date. Cheryl is also one of over 10,000 students who have received finanial aid counselling from the ACCESS Advisors who work in every Boston public high school. The advice these students receive leverages considerable amounts of other sources of aid—in fact $8 for every $1 of "last dollar" scholarships as the chart below shows.

Financial Aid Percentages
High School Classes 1986-1990



Senator SIMON. Thank you.
Senator Durenberger.

OPENING STATEMENT OF SENATOR DURENBERGER

Senator DURENBERGER. Mr. Chairman, thank you very much. I certainly affirm what you said earlier, that Senator Kennedy would love to be here for this presentation, but a number of the Committee members are getting ready for a debate on the floor today. I wanted to thank him in person not only for the hearing, but also for the introduction of these two pieces of legislation that all the witnesses have referred to.

I would like to begin with an observation and then a short statement and finally a question, and I beg your indulgence, Mr. Chairman.

We seem to be living, here in education and in some of the other things we do in this committee, in an era of reform. That is why I was interested in hearing Mr. Stewart talk about this as the worst of times and the best of times, because the frustration of having to reform an ongoing system is like trying to stop a ship in mid-course and convert it into an airplane. It is almost an impossible mission.

Mr. STEWART. It is not easy.

Senator DURENBERGER. But I find it interesting that in elementary and secondary education, everybody is talking about choice and reforming the system. In health care, everybody has a plan to solve the problem of universal access. But here in higher education, it seems to be business as usual in an area in which many believe the system is broke, and everyone seems to be frustrated.

I have held several hearings in Minnesota on higher education because we have the reauthorization bill up this year. Everybody seems to be frustrated in one way or another with the system. As with other areas—elementary and secondary, health care—one of the frustrations is with the quality of the product. Another frustration is that everyone doesn't have the choices that other people seem to have. Another frustration is in the complexity of the financing of the system.

There seem to be common elements all the way through. But by way of an observation, in my efforts to look at reform in elementary and secondary or in health care, I used to point toward higher education financing and say there are some creative things going on there. But I don't say that anymore. I don't find anything very creative about financing access to higher education in America. And I find the current system in desperate need of some fundamental reform.

Yet my experience, both on this committee and on the Finance Committee, is that it is so hard to get the actors in the system to participate in thinking about fundamental reform, particularly at the college and university level, because they don't like to see the existing "boat" stopped in midstream.

The current system of financing access to higher education is clearly overly complex. I missed the young man who testified earlier about the complexity of the system. The financial aid system ignores what is going on in middle class America today almost entirely. We see it in politics; you can see it almost anywhere. The

frustration of the middle class is growing. The cost of everything is going up. The cost of higher education is going up just as fast as the cost of health care. Yet we are all screaming about universal access to health care, but no one is dealing with this one, and the middle class is getting squeezed out in the process.

The system is inequitable. The young man who testified earlier talked about his parents refinancing the mortgage on their home to obtain an additional loan of $100,000. That's wonderful now that we've changed the tax laws so that the only place you can get a deduction for your interest is by refinancing your home equity. That's great if you live in the Boston before a few years ago when your home equity went way up, and you had a borrowing capacity—assuming you owned a home. But suppose you didn't own a home? Suppose you rented? Where is your borrowing capacity? Where is your savings account. So there are inequities in the current system between suburbia, where rates go up, and the inner city or the rural areas, where the values of homes haven't gone up as much.

The current system is wasteful and inefficient. There are incredible amounts of money that seem to get spent on administering and doing the intermediary functions on all of these programs. That's all I hear in Minnesota. We've got rising default rates. Last year, we heard a lot about the problems surrounding the HEAF program out in Minnesota. The default rates on the student loan programs by 1995 are going to be $3.6 billion. Wow. Wouldn't that educate a lot of people?

We are limiting choice. The rising cost of higher education, the resulting debt loads. We have heard about that from all the witnesses today—are really limiting career as well as institutional choices in this country. It is happening, and I think we all know that.

We've got declining State support. Texas I heard just doubled its State tuition. They didn't double the amount of State money that was going into education in Texas, nor did they in my State nor any other State that I'm aware of, because higher education has got to compete with elementary and secondary education, health and a lot of other things.

So I just want the chairman and the members of this committee and others to know that I think that making access to higher education more available to more people is a very high priority and should be a very high priority of this committee.

I think an idea that has been around for a long time is very appealing, and that is to make financing higher education more like a reverse social insurance system where people pay into a system and repay according to the benefits that they have received on their income. Such a system would be available to everybody, regardless of income, because the system is based on future income of the individual, not the family's income or the equity in their home when they have to take out a loan.

There are several principles that I think would be fundamental to a system like this. One is you've got to keep it simple—I mean, really keep it simple. If you want to motivate kids in the 6th or 7th grade, or the 8th or 9th or 10th or whatever, you've got to keep this thing simple. You have to have universal access. Everyone

should be eligible. You have to have broad choices of institutions for which these programs are available. You have to have variable payment based on income. Repayment should be more like a social insurance system, where the size of the student loan payments would be variable and be based on income, allowing graduates the opportunity to defer payment or make lower payments during periods of lower-paying employment, part-time employment, involuntary unemployment, and times when noncompensated family or other obligations are being met which eliminate or reduce income.

We could do all of this if we wanted to. Representative Tom Petrie has a proposal to do this. He has almost 40 co-sponsors from both sides of the aisle. Senator Dan Akaka put a different one in over here. Bill Bradley is thinking about one. So none of this is impossible if you really have the will to reform the system.

Another principle is lowest cost financing. Because of changes in budget accounting made last year there is a way to finance this system previously available from the lowest cost of capital if we just reach out and take it. You can have a self-financed system with a little bit of front-end financing—and in some cases, some of these proposals don't have any front-end financing—you can do a self-contained financing system for which every American who is eligible for higher education would be eligible for the loan program.

Then the last three principles. One would be to limit adverse selection by limiting the cross-subsidization in this system. So you have some people who go to higher-paying jobs paying more back into this system to cover the people with the lower-paying jobs. You want to encourage people to take on the lower-paying jobs, be they social work, teaching or whatever the case may be, compared to the rocket scientists or something like that. You want to have a system in which you limit the adverse selection against this particular program by spreading the appropriate cross-subsidization in the best way.

Then you want to take some of your savings from the new system—and Mr. Chairman, I think this can be done, too—you want to take some of the savings in converting to this kind of a system and use it for the grant programs such as the one we are considering here today.

Having spent a fair amount of time looking at all of this, all the ideas of other people and some of our colleagues here, I just hope that at some point in time this committee will have an opportunity to take a look at these income-based loan programs. I know it is changing the way America accesses higher education, but I can't find anything wrong with the change, because I see it available to all Americans.

Then the only issue is can we do what Don Stewart and Charles Gibbons have been trying to do, which is motivate young people to want to go on to higher education. I am convinced, part of that motivation is providing them with the ability in the 6th or 7th or 8th grades and in their families, to know that when they get to the point that they have successfully completed secondary education, that the financing will be there. That it won't depend on how well mom is doing or pop is doing, whether pop is still alive, whether there was insurance, whether there was a divorce, whether the

stock market went down, whether the farmer had a good year. It is just unbearable to go out there and listen to these kids talk about "I can't plan 2 or 3 or 4 or 5 years ahead of time because I see the costs going up, and I don't know where my parents' income is going to be, and I know I'm not going to have a job at age 18."

So how can you motivate them? How can you find ways in which to encourage people to go into the system?

I would just conclude, Mr. Chairman, by saying that I think part of this Equity 2000 program, or the kind of work they are doing in the Boston area, or just trying to motivate people to think realistically about the opportunity for higher education, is to eliminate one of the biggest concerns that the best-motivated people would have, that when they get there 2 years from now, 4 years from now, 6 years from now, the money to get into the system isn't going to be there, so they've got to think about something else.

I thank you for the opportunity to make that observation, and I certainly thank the witnesses. If either one of you wish to comment on anything I have said, I'd certainly appreciate it.

Mr. Stewart?

Mr. STEWART. If I may, I will comment briefly. First, just in total agreement, Senator Durenberger, with the State of affairs as you have described it. We would hope in Equity 2000 to provide the kind of motivation and nurture it with families and communities, through guidance counseling, etc., but we would also hope early on to make higher education—at the 7th and 8th grade level—a realistic aspiration for all students regardless of income levels, pointing to the multiple routes into the system, making key to the whole effort, though, solid academic preparation—I mean, money is not the only problem—so that these students are prepared.

But we would also emphasize early on, even with the poorest families, preparation through saving. We cannot underestimate the importance of families, many of whom need additional assistance, but preparing early, preparing early academically, preparing early financially, through savings, set-aside, whatever programs, however modest. I would just hope that whatever the financing system or set of subsystems might be, that there would not be a disincentive to save. I think this is key to what you have envisioned.

Senator DURENBERGER. Mr. Chairman, I have to go to a meeting also related to the events you described earlier, and I regret having to leave.

Thank you.

Senator SIMON. The chairman has returned.

I applaud what you are doing Mr. Stewart, and I regret I don't have time to ask you a question that I would like to, but I will submit it. But Mr. Gibbons, you say at the end of your statement, "the criteria for applying for an ACCESS 'last dollar' scholarship are that a student must be a senior in a Boston public school, must have lived in the City of Boston sometime during the senior year and must have maintained a 'C' cumulative grade point average in the senior year." Then you guarantee them the chance to go to college wherever they want to go to college. And as I go through the material attached, that is not only in Massachusetts, but the schools they go to include everywhere from Adelphi with an "A" to Wilberforce with a "W". Now, do you meet with the students and

go over what other help they might get, and then you provide that additional needed help—is that how it goes? Tell me what happens.

Mr. GIBBONS. That's correct, Senator, but you notice that I had "within guidelines" inserted there twice. Typically, the situation is that the youngsters will get their acceptances, they will file for financial aid assistance and will get their award letters in the early part of the summer. They will have by that time applied for an ACCESS "last dollar" scholarship saying, "I anticipate that I will have an unmet need, that the amount of financial aid that they told me I am going to get doesn't equal the amount of actual expenses that I am going to have."

During the summer period, we actually work right down to the last day or so to be sure that we are going to jump in with the actual amounts of "last dollars" and that we have honed the very best financial aid package.

Up until last year, we granted ACCESS scholarships in the amounts of as low as $200 and as high as $3,000 to every, single person who applied and qualified who met those qualifications.

Last year, our board of trustees had to face the fact that a $5.7 million endowment doesn't generate enough interest, particularly with yields getting lower, to guarantee that everybody will be able to go. So there was a policy decision that was made that the maximum award last year was $2,500 and that if your unmet need exceeded $2,000 more than that, you would not be eligible for an ACCESS scholarship.

We had 11 graduates who fell into that category. We counseled them, being very careful not to say you can go to a State school, you can go to a school that will give you a better package, but last year for the first year 11 people had a high need and were not given an ACCESS "last dollar" scholarship.

So it is the goal of the business community and the board of trustees that the lack of financial aid information and the "last dollar" shouldn't be the obstacle to going away.

Interestingly enough, as we are looking at this year's, last year we had 700 applications and I think we made 112 awards. The average award last year was about $1,400. This year, we have over 900 applications, and as we are beginning to look at them, we are picking out right away an awful lot of high needs, higher than usual.

Senator SIMON. So what is happening is that your resources are going down while the costs of going to higher education are going up, and the numbers applying are going up. It simply underscores the need for greater Federal assistance.

Mr. GIBBONS. That's correct. And to confuse things even further, Massachusetts has been tinkering with the Massachusetts State Scholarship program in an attempt to put a significant part over as loans, and loans as opposed to scholarships are not as attractive to the constituency that we are serving. So a lot of the institutions are factoring in less State assistance than they would have, therefore generating a greater gap.

Senator SIMON. I thank you both for what you are doing and for your leadership. It is really appreciated.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Simon.

I apologize to the witnesses. I am glad to see you, Mr. Gibbons. I still remember your contributing my mother's grades from Dorchester High School to the Kennedy Library and using me as a conduit. I have a copy of that on my wall. Over a four-year period, she got all "A's" except there was one "C" in geometry in 1903, I noticed. So I circled that "C" and sent it to her and remarked that she had been very careful to keep that away from her children. She sent me back the same piece of paper and said, "Your record must be incorrect. Always 'A' in everything." As a matter of fact, she did get "A's" in just about everything else. But I do remember that.

Just as a follow-up to Senator Simon, we are also facing the problem of the rather sizeable increases in tuition in terms of Massachusetts schools, aren't we?

Mr. GIBBONS. That's correct.

The CHAIRMAN. I was out at Framingham State Teachers' College 4 or 5 months ago, and they have seen two or three tuition increases in the last 4 years. I don't know how much others have gone up in the State, but it is fairly considerable, isn't it?

Mr. GIBBONS. Most of the State colleges that previously were in the $3,500 range are now up in the $6,000, with fees and everything calculated.

The CHAIRMAN. I remember some years ago at UMass-Boston, about 85 percent of the students parents never went to college, and 85 percent of the students were working 25 hours a week or more to help pay for tuition. Any increase in the tuition, even just a couple hundred dollars, translated into a noticeable decline in applications. I don't know whether tuition is still that sensitive. The situation I described occurred about 8 or 10 years ago. Do you notice a tuition sensitivity in terms of applications? Is there a differential impact on the children of working class people?

Mr. GIBBONS. I think generally the State colleges are always an alternative because the tuition tend to be lower than private institutions. But there is an increased sensitivity to tuition and costs and fees and the expenses that are associated, and they do in fact enter into people's decisions as to whether they even go on or not.

The CHAIRMAN. What percentage of the students in your program are aware of the financial aid opportunities open to them before you provide counseling? My impression is that in too many instances, families and young people are not as aware of that kind of program as one would hope they would be.

Do you have any insight as to the awareness of young people—I know there has been a very substantial effort to try to make them aware, but what is your own impression?

Mr. GIBBONS. It is interesting that the ACCESS program has been operating for 6 years, and 2 years ago when I was a district superintendent I gathered 33 principals and headmasters of kindergarten through grade 12 schools that I was in charge of, and we had a representative of The Boston Plan come. He made a statement to middle school principals and elementary school principals that the goal of the business community was to provide financial aid advice and in some cases, the last dollars, in order to be able to go on. And it astounded the principals of schools to find out that

you could craft packages that would allow access to postsecondary education.

I simply say that as an indicator that if the professionals who were working and giving advice at that level, elementary and middle school, weren't really aware of it and wanted to invite this person to be their graduation speaker, I think it is safe to say that the majority of families in the city of younger children aren't aware of it, and in some cases even of youngsters who are entering high school.

So there is a great deal of work that has to be done in terms of informing people about what is out there.

The CHAIRMAN. I spoke at the Lewis Middle School this past June with a person on my staff, Mike Frazier. The spontaneity and the desire and the flash that comes to those young people's faces and eyes when you talk about continuing on their education is just extraordinary. I suppose none of us should be surprised about it, but just the interest and the enthusiasm of those young people to move on if that opportunity is available is very, very real and is something that we obviously ought to be taking more advantage of.

Mr. Stewart, the ACCESS bill requires that the students be matched with mentors to provide them guidance in achieving their educational objectives. How important are mentors?

Mr. STEWART. At what level, sir?

The CHAIRMAN. Well, let's say across the spectrum. I just mentioned the middle school, and I suppose you have some ideas from different experiences about who are going to be the most vulnerable in terms of being held back and then eventually dropping out, but let's start at the middle school period.

Mr. STEWART. I think the notion of mentoring in many forms is a terribly important and positive contribution to the development of students, and beginning early on would be terribly helpful. Mentors can take the form of friends, big brothers, big sisters in the community, counselors in the schools—teachers themselves ought to be more mentoring-like—but older students. So often, students identify with older students. If middle school students were being mentored, if you will, by first-year high school students who had successfully made the leap from 8th grade onto the academic track and were hopefully taking strong academic courses in the first and second years of high school, and making clear to the young people who were to follow how important that is, I think it would cement tremendously the relationship between the middle school and high school and give the younger student a sense of how important it is in self-worth, etc. I think it is a fine concept and should continue through life. I think many of us who have been fortunate enough to negotiate a complex system in spite of odds have done so because of mentors.

The CHAIRMAN. Good. Could you tell us about the most important factors in preventing the at-risk students from dropping out of high school?

Mr. STEWART. There are so many, and to isolate a single factor would probably be a mistake. Multiple factors are at work. I think, though, students feeling good about schooling, doing well in school, is the most positive element in preventing dropouts. But also, increasingly I think we understand that if young people and particu-

larly at-risk students see the relationship between what they are doing in school and the larger world, particularly the world of work, so that studying algebra and geometry has some relevance, if you will—many of these students will not be focused on college, but on a livelihood. There are many good programs now in schools. The National Academy Foundation, for example, run out of American Express, which gives students some courses, using their electives, that they could use in the job market, is helping them, interestingly enough, to better prepare for college.

Increasingly, I think we realize that preparation for today's world of work and appropriate preparation for college are the same, and students need the same skill levels and competencies and content area mastery for work as they do for higher education.

I think, again, mentoring would help. It would help students understand these linkages, to see the economic well-being of their families linked to what they do in school, and that will help tremendously.

The CHAIRMAN. There is a high percentage of Hispanic dropouts, about 50 percent——

Mr. STEWART. Yes; it is higher than the African American.

The CHAIRMAN. Is it the same approach?

Mr. STEWART. I think it's the same approach plus. I think the language problem with the Hispanic population exacerbates an already difficult socioeconomic situation and an acculturation process.

I would hope that through multilingual education and a variety of other intervention strategies, the language issue could be addressed along with overall academic preparation.

The CHAIRMAN. Could you comment a little about my ACCESS bill that requires completion of a core curriculum including math?

Mr. STEWART. I am delighted to. I think you have hit the heart of the "pipeline problem", if you will. Adequate preparation in strong core subjects it the key to college going and college success. Therein lies the rationale for The College Board's Equity 2000 program. We took on math preparation, algebra and geometry, as a key to unlocking the academic curriculum in high school.

Unfortunately, many students think they are getting a real high school education or preparation for college and work, and they are not. They are not taking strong academic courses. They are taking the general courses, if you will—"business arithmetic" and other watered down courses—rather than those core courses identified in your legislation that will indeed prepare them to do better on tests and to tackle a real college-level curriculum.

I think a rising cry in this country is to get away from remediation at the college level, and particularly with an increasing number of adults coming into higher education, many of whom unfortunately have not had the benefit of the curriculum called for in your legislation, are having at an older age to take courses that they should have taken many years before. This delays their mastery of college-level work. I applaud your emphasis on the academic curriculum.

The CHAIRMAN. Mr. Gibbons, you must be familiar with other kinds of access programs in other parts of the country. What is your sense about how they may be able to benefit from this pro-

gram as well? Do you have any sense about whether this is broadly tailored enough to be able to impact them positively, or whether we ought to be making any other alterations or changes?

Mr. GIBBONS. I think the general effect would be it would be attractive to some programs to look at how they are doing, what they are doing presently, and if the bill were passed to tailor what they were doing to more closely fit it. The majority of programs that I am familiar with generally do not involve themselves until the last year of high school or the junior year, simply because they are not staffed adequately enough to do a lot of early awareness.

It would be very attractive if there were funds available to be able to fund the kind of early intervention that is alluded to in 1134. So one positive effect it might have is to have people look earlier at youngsters when those critical decisions are being made.

The CHAIRMAN. Good. Did you discuss earlier in your testimony how this program impacts different ethnic and racial groups in the greater Boston area?

Mr. GIBBONS. We only service the Boston public schools, and the diversity of the public school system is what controls that. The system itself is approximately 80 percent minority, and the graduating class generally reflects that. It is a little under 50 percent African American, about 20 to 23 percent Hispanic, about 10 percent Asian, and the majority being white.

The CHAIRMAN. And do your help and assistance, and your grants, follow that same profile?

Mr. GIBBONS. We serve more females than males, but statistically it seems to break pretty well. The most difficult group—and remember, the way it works is that literally hundreds of youngsters get financial aid advice, and they go off with a complete package, so that the scholars are the ones who have the unmet needs, so that when we identify the scholars we are breaking out a smaller segment of the graduating class that is proceeding to postsecondary on the whole. Hispanic males are the most difficult to get.

The CHAIRMAN. I see. Have you followed what happens to these young people after they get into college? Do you keep track of that?

Mr. GIBBONS. A third component after the financial aid advice and the "last dollar" scholar is that for those ACCESS scholars, we have what is called a Scholars Program. It consists of a newsletter and a hotline telephone where they can call back. Looking back to the classes that began in 1985-86 and the classes that are continuing, I have attached some statistics that indicate that we have a 78 percent retention and graduation rate which is significantly higher than those for minority students and for urban youngsters. We believe it is due to the hand-holding and the contact that we keep with them.

The CHAIRMAN. Do they have to maintain a certain scholarship average to maintain the financial support?

Mr. GIBBONS. No, sir; just their status in school.

The CHAIRMAN. All right. I want to thank you very much. We hope you will continue to give us your input and suggestions. We are delighted to have them, and they are enormously helpful. We appreciate very much your comments this morning.

Mr. STEWART. Thank you.

Mr. GIBBONS. Thank you very much.

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Prepared Statement of the Coalition for Adult and Part-Time Students

Mr. Chairman and Members of the Committee: The Coalition for Adult and Part-Time Students (CAPS) wants to take this opportunity to place before you its views on pending legislation to reauthorize the Higher Education Act, with specific reference to the status of less-than-half-time students in the Pell Grant program.

CAPS, as an organization, has not taken a position on the broad sweep of Senator Kennedy's proposal to reshape the Pell Grant program. However, the Coalition is led and strongly supported, by people and associations who have spoken out in favor of the general thrust of the Senator's bill. President Robert Atwell of the American Council on Education certainly speaks for a great many members of CAPS—as, indeed, he speaks for virtually all of the higher education community, in the statement he presented to the Committee today. Taken as a whole, the Senator's proposal would significantly strengthen the program which is at the heart and center of the Federal student financial aid structure.

The Coalition also shares Dr. Atwell's concern over one provision in that bill. We strongly urge you to reconsider the proposal in that bill which would undo the work of the Congress in 1986 to remove what can only be called the *previous statutory discrimination* against some of the neediest and hardest-working students on our campuses today.

Prior to 1986, a student had to be enrolled at least halt-time in order to qualify for any federally-funded student financial aid. In 1986, the Congress, recognizing that the nature of the college-going population had changed significantly since HEA first became law, struck that limitation and permitted students registered at less-than-half-time to apply for, have their *individual need* measured, and receive need-based aid in proportion to, their need and their individual costs.

The 1986 amendment has been in effect since that time, except with respect to Pell Grants, where its operation has been suspended on an annual basis in the appropriations process. The Coalition has been reconvened this year to urge that the authorizing committees continue the law as they wrote it in 1986, effective upon the effective date of the Reauthorization Act.

A great many studies have been carried out and a good deal of testimony has been put before the authorizing and appropriations Committees of both Houses regarding the so-called "non-traditional" student, or as we prefer to call him or her (mostly her) the New Majority student. This is not the time or place to replough all that ground. Let it suffice to say that the college-going population in this country has undergone a major transformation in the past quarter-century—in great part due to the Higher Education Act and to related legislation for which the Members of this Committee may take great credit.

The college student a quarter century ago was an 18-24 year old, fresh out of high school, without experience in the labor force, and pretty well resembling, in gender, race and economic status, the people who had gone to school a quarter century before him.

Today, the typical student is older. The typical student has significant work experience—frequently concurrent with his schooling; he is more likely to be of a racial or ethnic group which was not heavily represented on campus 25 years ago; he is very likely to be less affluent than was the typical student in those days—and, as your House counterpart Bill Ford, never tires of pointing out—"he is much less likely to be "he" than he was then. In short, Mr. Chairman, Andy Hardy is still Going to College, but so are a lot of other people who don't remind us at all of Andy—and this is not a problem, not a shortcoming—it is one of the great triumphs of the Higher Education Act.

Included in that New Majority are thousands of students—Bob Atwell's testimony suggests 50,000; former Secretary Cavazos' estimate in 1989 was over 150,000; for whom part-time attendance is the only serious alternative. They are students with jobs—often poorly paying jobs. They are students with family responsibilities—stu-

dent parents, or students caring for parents. They are students who have completed large parts of their degree requirements and need not attend full time to complete what is left. They are students who do not live near enough to a campus to allow easy daily attendance or commuting on a daily basis.

And they are serious students, Mr. Chairman.

One of the stock arguments of those who would continue to deny aid to even the neediest of these students is thy are not serious; that they are merely involved in "personal enrichment" or "basket-weaving" courses, and that they have a "low completion rate".

The Coalition submits, Mr. Chairman, that a student who is working full-time at a minimal salary, who has children to care for, or an aging parent to look after, and who still finds time one or two evenings a week, or on a weekend, to go to class, is a very serious student indeed.

As far as the "completion-rate" charge is concerned, it stands to reason that it takes part-time students longer to complete their degrees than it takes full-time students. That statistic is not a startling fact about those students. That they attend at all, that they complete in reasonably impressive numbers, that they are responding to the challenge you have thrown out to them, that they are outstanding examples of what the President called for when he spoke of a "nation of learners"—these are the statistics that ought to matter—the numbers we ought to count.

Mr. Chairman, this Committee and its counterpart in the House has worked diligently for a quarter of a century now to open the doors of our campuses to a broader population—to members of minority groups, to the needy, to women, to older students, to student-workers—to name just a few. Your efforts have been persistent, and they have paid off. Much of what you, Senator Kennedy, are offering in your bill is in that same tradition—making the Pell Grant program more dependable, more useful, better able to open doors of knowledge to more students. We submit that the provision of your bill which would repeal the 1986 amendment is out of character with the rest of your bill, and with the rest of your own, and this Committee's twenty-five year record.

UNIVERSITY OF CALIFORNIA, BERKELEY,
July 12, 1991.

Hon. Edward M. Kennedy,
U.S. Senate,
Washington DC. 20510

DEAR SENATOR KENNEDY: Unfortunately, I am not able to come personally to Washington and present testimony on the need for a diversified graduate student body. I would, however, like to share with you my thoughts and concerns regarding this important issue.

American graduate education is one of our prime national resources, an area in which we lead the world. The preparation of professionals, scholars and scientists representative of the ethnic and cultural diversity of the United States, who will be prepared to lead our nation in unity and with a common purpose, requires that graduate education be made accessible to members of all the groups that make up our heterogeneous national population.

There are several reasons to diversify the graduate student body nationally. One is obviously the American ideal of equal access and opportunity for all people. Although there are certainly intellectual qualifications and differences that affect access to graduate education, intellect is not the sole province of any particular racial or ethnic group. All academically gifted individuals should have the opportunity to pursue graduate education.

A second reason is the need for intellectual diversity within the university. Students bring different viewpoints and experiences as members of culturally and racially diverse groups. Conviviality in classrooms, social settings and leisure activities breeds familiarity and understanding and dissolves stereotypes. Sharing tasks such as student government, side-by-side work in a science laboratory, or the joint enterprise of a student publication all involve students in the opportunity to discuss and evaluate diverse perspectives and the implications of personal experiences and backgrounds. The discussion and challenge of different viewpoints are part of the essential intellectual process of graduate education.

A third reason is the need for future college faculty members. There is a compelling practical reason to encourage diversity, and that is the potential shortfall in the number of future college faculty, as documented by Bowen and Sosa (1989). Not enough students are entering graduate school at present. As the demographic cohort of white 21-25 year olds who have traditionally entered graduate programs shrinks

steadily, graduate programs must attract students from other pools. The 21-25 age cohort, even as it shrinks, has also changed in racial/ethnic composition. Individuals from different racial/ethnic groups have traditionally been underrepresented in graduate school. If graduate programs are to maintain their strength and the numbers of their students, they must be able to attract those who have not previously considered graduate school a desirable option, or even a possibility.

There is yet another reason for diversity, which is related to the American workforce and the needs of an increasingly technological and complex workplace. The economic competitiveness of American business and industry depends upon a highly trained workforce. The demographic trends cited above mean that the potential pool of workers is becoming increasingly diverse.

The University of California at Berkeley welcomes students from across the nation and across the world, from the city and the farm, from all ethnic groups. For example, of last year's entering freshman class at Berkeley, 67% are students from minority groups. As cohorts of this type of ethnic make-up pass through the system, the necessity of providing minority faculty members who can serve as role models grows more and more acute.

The United States is about to enter an era of a real and potentially damaging shortage of college and university faculty. This faculty shortage, which exists not only in science and engineering but also in the humanities and social sciences, will affect education and research at all levels. This shortage also presents us with the opportunity to diversify the faculty, provided we can recruit and retain outstanding students from all backgrounds.

The University of California at Berkeley is a key player in the production of faculty members. It grants the largest yearly number of Ph.D.'s in the country. Last year, 23 percent of our newly-enrolled graduate students came from historically underrepresented groups. The campus has developed comprehensive programs, from high school outreach programs through undergraduate research programs to fellowships and mentorship programs designed to encourage minority students to enter college, prepare themselves for graduate education, and succeed in obtaining graduate degrees. The campus' success in those programs shows what can be done to diversify the graduate student body. For example, the nationally recognized Dana Center works to disseminate mathematical skills-building programs at all levels. The Professional Development Program sponsors a pre-college Academy so that high school students can develop their skills in mathematics and science. Many students from poor inner city neighborhoods in Oakland would not have found their way into our institution without these programs. Our Graduate Division sponsors a Summer Research program pairing volunteer research faculty with undergraduates from our own campus and from campuses across the country. These students are often the first in their families to go into higher education. During 8 weeks, these students sample the life of a researcher in chemistry, history, sociology or other disciplines, and begin to develop the skills and techniques necessary for success in graduate education. Participants in these programs experience the excitement of the process of pushing the borders of knowledge further. They are able to consciously decide on a graduate career. These programs also enable these students to successfully complete their graduate programs.

Berkeley has done much to attract and to educate a diverse student body, and we could do more. But we cannot do it alone. Our success, as well as that of all public universities, relies heavily on state and Federal funding. Federal government support through Title IX programs such as the program to Encourage Minority Participation in Graduate Education, the Patricia Roberts Harris fellowship, including the Public Service Education fellowship program and the Jacob Javits Fellowships for the arts and humanities are essential.

There must also be a partnership between government and private business to develop the resources to support the concept of a diverse professional education. The National Consortium for Graduate Degrees for Minorities in Engineering has brought together several major universities with private corporations such as Dow Chemical to recruit, prepare and support historically underrepresented students. This is an investment in a future for our country enriched by mutual understanding and equal opportunity.

The humanities, arts and social sciences are still underfunded. Many privately funded and university funded programs for minority students concentrate on engineering, science and mathematics. However, non-Asian minority students tend to be concentrated in non-science areas. Therefore, Federal programs must be especially concerned with non-science areas, particularly given the need for future college faculty members in all fields.

Students from economically deprived families cannot expect help from home. Their own part-time work is not sufficient to finance all the costs of a higher education. Universities, business and the Federal government must make a commitment to provide adequate funds for graduate education. Our society as a whole has to invest in the future of a united and democratic nation. Federal commitment to financial support for an educated citizenry must be firm and unequivocal.

I appreciate the opportunity to share these thoughts with you on this important topic, and I remain committed to diversifying the graduate student body.

Please do not hesitate to call upon me if you have need of further information on this subject.

Sincerely,

CHANG-LIN TIEN,
Chancellor.

YALE UNIVERSITY,
July 15, 1991.

Hon. Edward Kennedy
U.S. Senate,
Washington, DC.

DEAR SENATOR KENNEDY: I am writing to thank you for inviting me to appear as a witness at your Committee's hearing on the reauthorization of Title IX of the Higher Education Act. I regret very much that my schedule prevent me from attending, but I am deeply appreciative that you asked me. Title IX's provisions graduate education are among the most important of those to be considered during the reauthorization process; these provisions will determine how well universities respond to the growing national need for doctoral-trained teachers and scholars.

The fellowships funded through Title IX are extremely important to graduate studies at Yale. The Javits program is an especially important source of support for Yale graduate students; in the fall, we will have 29 Javit Fellows studying here. As you know, the Javits program is the only source of Federal funding for graduate study in the humanities. The Graduate Assistance in Areas of National Need Program is a excellent response to the need to support more graduate study in science and mathematics; Yale has been very fortunate to receive a grant under this program which provides tuition assistance and stipends for 10 graduate students in chemistry. The University is also extremely supportive of the goals of the Patricia Roberts Harris Fellowships which help finance graduate education for minority students and for women in disciplines in which they are underrepresented. I offer our experience at Yale simply to illustrate how significant a role these programs play in furthering graduate study. All three programs serve vital needs and yet they all suffer from very limited funding and are unable to meet the purpose for which they were designed. I ask for your support for increased authorization levels for these programs. Each of the programs also serves a distinct and complementary purpose and for that reason, I am concerned that proposals that would merge the three into a single program would only serve to weaken those programs without yielding significant administrative benefits.

As you may be aware, Yale recently instituted a program of dissertation year fellowships which are designed to reduce the time it takes graduate students to complete the requirements for a Ph.D. Much of that delay is attributable to the fact that limited financial resources force many graduate students to serve longer as teaching assistants at the expense of time needed to work on their dissertations. I understand that you may be considering a similar proposal as an adjunct to the Harris Fellowship program. More detailed information on the need for dissertation year support and on our program was provided in recent testimony by Jerome Pollitt, then the Dean of our Graduate School, in an appearance before the House Postsecondary Education Subcommittee. I enclose a copy for your information. Even as Yale has attempted to help meet this need, our financial aid budget, like that at most institutions, is stretched to its limit and the unmet need remains substantial. Initiating Federally-funded dissertation year fellowships would be an important step toward the national goal of producing the teachers and researchers we will need in the future.

I hope this information will be useful to you and to the Members of the Committee as you consider the reauthorization of the Higher Education Act. If I can provide any additional information, please do not hesitate to contact me.

With best regards,

Sincerely,

BENNO C. SCHMIDT, JR.
Office of the President.

INSTITUTIONAL POLICIES GOVERNING DOCTORAL EDUCATION

INTRODUCTION

Through doctoral education, talented students master the advanced concepts of a particular field of intellectual inquiry and develop the capacity to make independent contributions to knowledge. The quality of students entering our doctoral programs, after a period of decline, is now showing signs of recovery; some (though not enough) of our most talented U.S. college graduates are enrolling in doctoral programs, and these programs draw some of the best students from foreign countries as well.

Closer examination, however, reveals several disturbing trends:

- The proportion of U.S. students earning doctoral degrees has been declining for two decades, and the absolute number of U.S. doctorate recipients has been declining for more than a decade.
- The proportion of the very strongest students enrolling in doctoral programs has been declining for more than two decades;[1] it is not clear whether recent signs of recovery are the beginning of a sustained reversal.
- Many of those students who do enroll are taking too long to complete their degrees: in 1988, the median registered time-to-degree was 6.9 years.[2]
- Attrition appears to be disturbingly high; although national data are not available, estimates place the average attrition rate at 50 percent, and it is often higher in some fields of the humanities.

The well-documented projections of severe shortages of Ph.D.'s beginning in just a few years make these trends in doctoral education all the more disturbing.[3]

THE CHARGE

Because of their concern about these projected shortages and the trends in doctoral education which are impeding Ph.D. production, the member presidents and chancellors of the Association of American Universities (AAU) asked the Association of Graduate Schools (AGS), comprising the graduate deans of their institutions, to recommend institutional policies which can improve the effectiveness and efficiency of doctoral programs.

The AGS Executive Committee appointed a task force of graduate deans to carry out this request. A draft report prepared by that group was discussed by the AGS graduate deans at their 1990 annual meeting. A revised report was submitted to the AAU presidents and chancellors for their consideration at their fall meeting. Changes recommended by both groups have been incorporated into this text, which contains the joint views and recommendations of AAU and AGS.

INSTITUTIONAL AND INDIVIDUAL DIFFERENCES AND THE NONACADEMIC ENVIRONMENT

Graduate education is organized in diverse ways in this country's research universities. Institutions and departments vary in their traditions, practices, size, and comprehensiveness. Academic fields differ in disciplinary ethos, programmatic requirements, and funding patterns. We have sought to provide clear descriptions of current problems and to offer recommendations for improvement. But we recognize and stress at the outset that institutions and departments experience those problems to differing degrees and will need to implement our recommendations in ways appropriate to their particular circumstances. We are aware that a number of institutions

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[1] The proportion of Rhodes Scholars, Phi Beta Kappa recipients, and students in the top 3–5% of college classes who enroll in doctoral programs has been decreasing since the late '50s and early '60s. Arthur M. Hauptman, *Students in Graduate and Professional Education: What We Know and Need to Know* (Washington, DC: Association of American Universities/St. Mary's Press, 1986).

[2] Total time-to-degree *(TDD)* is the calendar time between earning a bachelor's degree and a doctorate; registered time-to-degree *(RTD)* includes only time in graduate school.

[3] William G. Bowen and Julie Ann Sosa, *Prospects for Faculty in the Arts and Sciences* (Princeton, NJ: Princeton University Press, 1989); Richard C. Atkinson, *"Supply and Demand for Scientists and Engineers: A National Crisis in the Making,"* Science 248 (April 1990), 425–432.

have established or are developing policies that incorporate some of these recommendations.

Moreover, we understand that graduate students differ greatly in their capacity for effective self-direction and their need for advice and support. Our recommendations are intended to promote an educational environment that will better inform choices by graduate students; obviously, these recommendations will prove more useful to some than to others.

Further, our report restricts itself to the academic environment. We do not thereby intend to imply that such problems as housing, health care, child care, and socialization into the university community are unimportant. Indeed, these issues take on increased importance with the increasing diversity of our graduate student bodies. The mixture of students of different races and cultures enriches the intellectual and social context of our graduate programs but adds new challenges as well. Although the resources available to meet even basic academic needs are limited, we believe that universities should strive to provide a supportive environment for all graduate students, one which enables them to confront their academic challenges with minimal distractions and therefore with better chances of success.

Institutional Policies Governing Doctoral Education: Problems and Recommendations

We believe that the reduced participation in doctoral programs by U.S. students is caused in part by the costs and risks reflected in long times-to-degree and high attrition rates. Moreover, we see ample evidence that lax practices and unenforced policies within universities contribute to high attrition and prolonged completion times. We recognize that there are clear limits to what can and should be done about these problems: not all students who enroll in doctoral programs should complete them; some of those who do not finish nonetheless benefit from graduate study; many factors which may extend time-to-degree reflect legitimate academic considerations; some of the causes of attrition and extended completion times are beyond the control of institutions and their faculty. The severity of these problems varies greatly by discipline, institution, and department. The task for university administrators responsible for doctoral education is to identify those contributory factors over which we can exert control and to adopt policies that will minimize their impact.

No set of policies, however carefully crafted, can succeed without the active participation of faculty who carry out graduate education; to bring about the program improvements that are needed, it is imperative that administrators secure the understanding and support of the faculty.

Teaching by Graduate Students

Problems

Since virtually all doctoral students, whether or not they enter the academic sector, will be engaged in not only the creation but the dissemination of knowledge, the skills acquired in learning how to teach will be fundamental to their future work. Yet in far too many programs, effective teachers are produced by happenstance rather than by design. Graduate students often teach too much but are not sufficiently assisted in becoming effective teachers; we find this both ironic and unacceptable.

The primary reason why graduate students should teach is to prepare them to be effective teachers. Graduate students constitute an appropriate and important component of the teaching personnel of research universities, but far too many departments have become dependent on graduate students to meet their teaching requirements. Because departments have financial and other incentives for maintaining a heavy use of graduate students as teachers, graduate students often become caught in a financial vice, with teaching as their sole source of support. Extreme examples, reported from several campuses, include creating new undergraduate course sections, not because they make good educational sense but because they provide convenient financial support for graduate students.

We believe that excessive teaching is a major contributor to prolonged time-to-degree. It is unlikely that any true educational purpose is served by teaching more than 3 years as a graduate student. Other sources of support should be sought for students who have reached this limit.

At the other extreme are students who teach too little or not at all. A student who has sufficient financial support from fellowships, research assistantships, or other sources may do no teaching during his or her entire doctoral program unless it is specifically required.

The issue, here at elsewhere, is one of balance; some students may need to teach more than is necessary for pedagogical reasons in order to generate needed financial support; some students planning nonacademic careers may teach little. We recognize that teaching can have a powerfully reinforcing influence on a student's commitment to completing the doctorate. On balance, we are strongly committed to two objectives: first, that all students should do some teaching; second, that no students should substantially extend their completion times by teaching.

RECOMMENDATIONS

- Departments and programs should assure that their graduate students receive instruction in teaching methods, with assessments and feedback on teaching performance and, if possible, with a progression of increasingly advanced teaching experiences including significant in-class teaching.
- Departments and programs which do not require teaching should review the objectives of their graduate programs and seriously ask themselves why some teaching should not be required of all students.
- Universities should limit the number of terms graduate students are permitted to teach; other sources of support should be sought for students who have reached that limit.
- Course sections should never be offered when the principal justification is to provide financial support for graduate students.

Research

PROBLEMS

Graduate students form an integral part of the academic research enterprise, conducting a large portion of university research and infusing it with fresh energy and creativity. But the principal purpose of graduate student research remains pedagogical: graduate students need to learn how to perform research, demonstrate that ability in their dissertations, and then move on. In the natural sciences and engineering, research assistantships provide graduate students simultaneously with financial support and with research experience as apprentices to faculty investigators. Such support falls short of its potential when research assistants continue to be used as low-level assistants-thereby failing to acquire increasing experience in research methodology—or are obliged to work in areas far removed from their own emerging areas of interest.

We know of instances where faculty investigators have prolonged the time graduate students have spent in their laboratories chiefly because of their value to the faculty member's research. In other cases, a graduate student may seek extended research work in order to learn new techniques or generate more publications. However, students are almost always better off expanding their research expertise as faculty and nonacademic professionals after having received their doctorates rather than prolonging their apprenticeships as graduate students.

In the humanities and the humanistically oriented social sciences, as currently practiced, the major problems are twofold: the absence of mechanisms (owing to different traditions and patterns of research) for involving graduate students early and often as active participants in research, and the absence of financial support for the research they do perform. The time-to-degree in the natural sciences is consistently shorter than in the humanities and related social sciences. Where the data are available, attrition rates are shown to be significantly lower in the natural sciences as well.[4] There is strong reason to believe that the collaborative research model that characterizes faculty-student relationships in the sciences is a key factor in the generally more efficient doctoral programs in those disciplines.

Dissertation: For most doctoral students, the preparation of the dissertation constitutes the most critical period in doctoral education, the period most difficult to initiate and to complete. The two principal problems with dissertation work are first, the difficulty many students—particularly in the humanities and social sciences—have in developing a dissertation topic, and second, the excessive scope of some projects.

We suspect that the increasing complexity of academic subfields may be largely responsible for the first problem, and that the recent sluggishness of academic labor markets (when an exceptionally comprehensive thesis is seen as indispensable in competing successfully for available positions) contributes significantly

[4] Where comparisons have been undertaken, time-to-degree and attrition are found to vary in similar ways.

to the second. But conditions have changed, and we believe it is time to reaffirm that the primary purpose of the dissertation is to demonstrate a student's capacity for independent work; it need not go beyond that demonstration.[5]

Postdoctoral fellowships: Postdoctoral work is a rapidly growing dimension of the academic environment that is not well organized on most campuses. Although postdoctoral appointments occur primarily in the sciences, they are increasing in the social sciences and humanities as well. It is unclear to what extent this increase reflects the growing complexity of research and the concomitant need for more research training, the need for a "holding pattern" in the tight job markets that continue to exist in many fields, or the desire to increase one's publication record to improve employment prospects.

There is enormous variation by field in the proportion of doctorate recipients who pursue postdoctoral training and in the role that training plays in the professional education of persons entering a discipline. In some disciplines, postdoctoral work is limited primarily to individual requirements for additional specialized training. In other fields, the growing array and complexity of research techniques has made postdoctoral work an almost essential component of advanced education for most students, so much so that it might reasonably be included in computing the time-to-degree.

At their best, postdoctoral fellowships provide a valuable opportunity for students to expand their research skills, and the presence of postdocs in research laboratories is beneficial to faculty and graduate students alike. However, the increasing frequency of postdoctoral appointments (postdocs are often taken successively at two different institutions) may in some cases have the unintended effect of diminishing the significance of the dissertation as a demonstration of appropriately broad research capability and thereby of extending doctoral education unnecessarily into postdoctoral work.

Although conclusive data are not presently available, colleagues on some campuses express concern that faculty investigators are supporting postdoctoral fellows rather than graduate research assistants on research grants because postdocs may be less costly, have more advanced skills, and can devote more time to research. We urge that faculty and administrators examine the roles of postdoctoral fellows and graduate students in their departments and programs to provide assurance that both groups are appropriately integrated into the institution's research and equational functions.

RECOMMENDATIONS

- Graduate students should be encouraged to begin early to learn the research and scholarly techniques of their discipline and to begin preparing for and carrying out dissertation research as early as possible; faculty should not permit students' research to prolong unnecessarily the time-to-degree.
- Research assistantships should maintain a dual purpose of supporting the conduct of research and of providing students with instruction and financial support.
- Departments and interdisciplinary programs in the humanities and related disciplines should develop ways for faculty to involve their students actively and early in research projects or comparable initiatives that will provide apprenticeship research training analogous to that provided in natural science and engineering fields.
- Departments and programs should develop mechanisms such as research seminars, laboratory work, and student-advisor consultations that lead to the timely development of dissertation topics.
- Advisors must assume more responsibility in certifying that the dissertation is a realistic project that can be completed in a reasonable period of time; departments may wish to consider establishing a recommended upper limit to the length of the dissertation; in those cases where a dissertation of exceptional scope is being considered, the advisors should make certain that the student is making a fully informed choice.
- Universities and departments should make every effort to assure that students have sufficient financial support to permit full-time attention to their dissertations once the work is in its final phase.

[5] Recognizing the critical—and changing—role of the dissertation, the Council of Graduate Schools has conducted a major study, *The Role and Nature of the Doctoral Dissertation*, which we commend to university faculty and administrators.

- Departments should consider organizing seminars or other appropriate group discussions which provide feedback to students working on their dissertations.
- Graduate schools should work with departments and programs to develop effective procedures for monitoring the progress of students working on their dissertations; this might be accomplished by use of progress reports during the dissertation stage, generated by or shared with the student, which could be submitted annually by the faculty advisor to the Department Chair and forwarded to the Dean of the Graduate School.
- University administrators should review the number and use of postdoctoral fellows to assure their effective incorporation into the missions of the university.

Faculty Teaching and Mentoring

PROBLEMS

In addition to formal teaching, advice and support from faculty mentors are critical to students' success in their doctoral programs. While this observation is scarcely novel, current features in the university environment make its reaffirmation extremely important. Teaching of graduate students ranges from formal classroom instruction to individualized mentoring. Graduate student mentoring is often a "hidden" effort, usually unreported and uncounted in official assignments of faculty duties. Given the competitive pressures for sponsored research funding; given new commitments to undergraduate teaching; given the increased opportunity for interdisciplinary research and the demands which this imposes; given, finally, the increased opportunities for faculty leave time available for guiding graduate students is often inadequate. As a result, effective faculty advising frequently occurs only at the initiative of unusually conscientious professors or persistent students rather than as a central component of regularly recurring faculty responsibilities. To restore balance and to guarantee sustained and predictable advising, we believe that departments should designate faculty advisors for all graduate students and should assure the maintenance of advising during scheduled faculty absences. Beyond the specific student-advisor relationship, faculty advising in the broader sense is properly the responsibility of all the graduate faculty with whom a student works.

In addition to advising students on the core activities of their graduate programs, faculty should, through both formal seminars and informal advising, instruct students in the broader issues of professional responsibility and ethical behavior in teaching, research, and scholarship.[6]

RECOMMENDATIONS

- Departments should establish explicit expectations and enforce explicit requirements for those faculty who advise graduate students.
- All graduate students should have a designated faculty advisor at all stages of their programs and should be made aware of the importance of a careful choice of the dissertation advisor.
- Institutions and departments should recognize and appropriately reward the full range of faculty teaching and advising of graduate students.
- The schedule of anticipated faculty leaves and absences should be publicized within the graduate student community, and departments should assure the continuity of advising during absences as well as a known schedule for the teaching of "key" graduate courses.

Faculty advisors should assist students to:

- select coursework that matches the students' needs and interests, and recognize that curricular options which broaden academic experience may also extend the length of graduate programs;
- participate early in seminars, laboratory work, or other activities that engage students in research and assist them in the expeditious development of dissertation topics;
- define dissertation topics of realistic scope that can demonstrate a student's ability to make independent contributions to the field without encouraging projects of excessive magnitude, requiring several years to complete;

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[6] For an excellent discussion of good practice in the relationship between graduate students and their research supervisors, see *Research Student and Supervisor*, published by the Council of Graduate Schools (One Dupont Circle, NW., Suite 430, Washington, DC 20036-1173).

• develop a clear sense of professional responsibility and ethical standards of conduct in teaching, research, and scholarship.

Curriculum

PROBLEMS

We believe that in many cases the content, shape, and focus of the graduate curriculum warrant fresh examination. The cumulative effects of curricular changes through simple accretion are a poorly integrated set of courses and a proliferation of requirements. The emergence of new and specialized subfields can undermine faculty agreement as to what constitutes the essential, substantive basis of many disciplines and lead to an accumulation of new "options" in graduate study. If unchecked by faculty counsel and departmental guidelines, students can postpone their advancement to candidacy through excessive coursework or through a real or perceived need to demonstrate mastery of several subfields.

At the same time, curricular requirements should have sufficient breadth that all students emerging from the program are well versed in the fundamental aspects of the discipline necessary for both teaching and research.

RECOMMENDATIONS

• New courses should be appropriately integrated rather than simply added to the existing curriculum; where possible, new courses and seminars should displace other components of the curriculum. The addition of new courses and the emergence of new subfields will require periodic redefinition by the faculty of what constitutes the coherent core of the discipline.

• Course requirements should provide sufficient flexibility to match coursework to expected career paths while assuring that all students receive the breadth of learning necessary for a comprehensive grasp of the discipline.

• Students should be adequately advised about preparation for qualifying examinations; the examinations should not be so open-ended that students are driven into excessive coursework in preparation for them.

Evaluating Student Progress and Performance

PROBLEMS

We recognize that selecting students who have the ability, motivation, and discipline to complete doctoral programs is a difficult, inexact, and often highly subjective process. The objectives of doctoral education—mastery of a field and the ability to make independent contributions to it—require the development of aptitudes that cannot be directly evaluated by prior activities or accurately predicted by quantitative indicators.

Because of the difficulties of selection, it is imperative that doctoral programs evaluate students' progress, identify those students who should make other career choices, and help students who are experiencing correctable problems. When attrition occurs unnecessarily, students have been mistreated. When attrition occurs unnecessarily, students have been mistreated. When attrition occurs unnecessarily, students have been mistreated. When attrition occurs unnecessarily deep into the program, students, faculty, and institutions are expending resources to little or no good purpose.

We believe that early and effective assessments of student performance and periodic monitoring throughout doctoral programs can be valuable tools for improving those programs and student performance in them. However, we do not intend to advocate the development of yet another set of reports that contribute to the accumulation of paper but not to the improvement of education. Institutions and departments should design assessment procedures that best fit their circumstances. In some cases, an annual self-evaluation by students with an accompanying comment by the faculty advisor may be desirable; in other cases, it may be preferable for faculty to prepare evaluations. What we recommend is the development of forms of assessment that will produce meaningful information which will be used to good effect while minimizing bureaucratic intrusiveness on faculty and students.

Both fairness and efficacy require that evaluation procedures be accompanied by well-publicized expectations for student performance, grounds for dismissal, and procedures for appeal. Students who are being evaluated have a right to know in advance what is expected of them and how to challenge the judgments made of them.

Departments also should gather and make available data on actual performance and should adopt procedures to bring actual and expected standards into accord; if a

program's announced time-to-degree is 4 years and the actual lapsed time is 7 years, the program has created false advertising that undermines student performance and faculty expectations.

RECOMMENDATIONS

- Departments should develop and publicize, along with curricular requirements, realistic expectations for performance, including norms for time-to-candidacy and time-to-degree.
- Departments should require a written assessment of performance at the end of a student's first year, and should conduct an annual review or some other form of formal evaluation of progress throughout the student's program; such assessments might be prepared by students or their advisors but should be shared with both; appropriate actions should be taken on the basis of these assessments to bring actual and expected performance into accord.
- Universities should have explicit, well-publicized dismissal and appeal procedures.

POSTSCRIPT: FUNDING FOR DOCTORAL STUDY

Although the purpose of this paper has been to recommend improvements in institutional policies, we would be remiss not to point out the critical role of financial support for students pursuing doctoral degrees. Particularly in the face of the projected shortages of Ph.D.'s and the need to increase substantially their numbers, the provision of adequate, reliable financial support is necessary to attract talented students—who have many other career options available to them—into doctoral programs. The form such support takes can have a profound effect on students' progress through their programs. Students who lack subsidized support in the form of fellowships, traineeships, and teaching and research assistantships must rely on loans, work, or personal finances to pay for their education. A heavy reliance on loans is inappropriate for students who are adults (often with dependents), who frequently are already burdened with indebtedness from undergraduate loans, and who are embarking on extended courses of study at a point when most college graduates begin regular employment. Students who must rely on work outside their academic program as their primary means of support will almost unavoidably extend their times-to-degree. Excessive reliance on teaching assistantships for financial support also may extend completion times. Recent data indicate that, of those who complete their dissertations, students supported on fellowships, traineeships, and research assistantships have the shortest times-to-degree. Students supported on teaching assistantships take longer to complete their degrees, and students supported by loans and personal income have the longest times-to-degree.[7]

Clearly, some combination of grants and assistantships which include teaching would provide optimal support over the course of doctoral study; a careful analysis is needed to identify the optimal combinations by field. Nevertheless, doctoral study in virtually all disciplines is underfunded, and we strongly endorse the recommendations for expanded Federal support for doctoral study made by AAU and other organizations and individuals.[8] Although we recognize the financial constraints on universities, we also urge university administrators to increase support of doctoral study, particularly at such critical junctures as the dissertation stage.

CONCLUSION

Universities which have carried out comparative assessments of doctoral programs have found that departments with well-structured programs, clear expectations of graduate student performance and faculty responsibilities, and widely shared faculty commitments to encouraging and facilitating students' progress have lower attrition rates and shorter times-to-degree than comparable departments

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[7] National Research Council, *Summary Report 1987—Doctorate Recipients from United States Universities* (Washington, DC: National Academy Press, 1987).

[8] The AAU position paper, "The Ph.D. Shortage: The Federal Role," calls for a doubling of the number of predoctoral fellowships and traineeships, increased support through research assistantships, and expanded incentives for underrepresented minorities and women. Atkinson (op. cit.) calls for a new National program for Graduate Study awarding 3,000 new 4-year traineeships annually for a steady-state program of 12,000 new and continuing traineeships. The National Association of State Universities and Land-Grant Colleges has developed a proposal for 1,000 new 4-year engineering traineeships for a steady-state program of 4,000 new and continuing traineeships.

whose programs lack those properties. We believe the recommendations presented here identify actions which can improve the universities' collective performance.

We recognize, however, that policy changes alone are insufficient; the commitment to implement them is crucial. We hope that presidents and chancellors, graduate deans, and other administrators will work with departments, programs, and faculty on each campus to translate these recommendations into effective procedures in the ways most appropriate to their institutional settings. To do so will require a serious commitment by all those in universities who are responsible for the administration and delivery of graduate education. University, departmental, and program administrators need to develop appropriate incentives which reward strong faculty performance in doctoral education. A concerted effort by all universities will improve the effectiveness of individual programs and will strengthen Ph.D. production nationwide.

Mr. CHAIRMAN. The committee stands in recess.

[Whereupon, at 11:13 a.m., the committee was adjourned.]

46-709 (112)